

COMMONWEALTH OF VIRGINIA



Virginia Enterprise Application Program

FM03 Purchasing

Modified Financial Management (FM) and Performance Budgeting (PB) Future State Business Process Best Practice Environment Definition Document

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1. Introduction

This Deliverable documents the collection, analysis, and definition of the high level business process functions and functional requirements of the *Financial Management – Purchasing* business process area within the Virginia Enterprise Application Program (VEAP). This Deliverable focuses on the business processes and functional requirements identified by the VEAP to satisfy the needs of the Commonwealth's stakeholders and the target users. This document includes the purpose, scope, business reengineering opportunities, process threads, requirements, definitions, and references of this future state environment definition. The Future State Environment Definition Documents provide a critical foundation for the Financial Management and Performance Budgeting solutions as they are the basis for the fit-gap analysis as well as implementation activities including software design and configuration, testing, procedures documentation, training, business process reengineering, and organization design.

1.1 VEAP Background

The Virginia Enterprise Applications Program (VEAP) Vision

- *Provide the Commonwealth with best practice business processes supported by a suite of commercial-off-the-shelf (COTS) enterprise solutions – consistent with Virginia's position as a Best Managed state and a financial and technology leader.*
- *Transform administrative operations by consolidating and modernizing the service delivery models and supporting applications for the Commonwealth's Financial Management, Human Resources Management, Administrative Management, and Supply Chain Management resulting in superior resource management and improved performance.*

Through the Commonwealth's Public Private Educational Facilities and Infrastructure Act (PPEA) of 2002, which brings private sector innovation and investment to state government projects, the Commonwealth has undertaken an initiative to identify areas of the Commonwealth's operations that could be significantly improved by undertaking an enterprise-wide reengineering and resolutioning of business processes common across the Executive Branch of government. The Virginia Enterprise Application Program (VEAP) is one such effort, as part of the initiative, undertaken by the Commonwealth.

The VEAP is a seven year program to consolidate and modernize the business processes and enterprise applications of the Commonwealth of Virginia (COVA). The initiative will enhance efficiency, increase productivity, and provide more effective delivery of services. The Program's scope includes Financial Management; Human Resources Management; Administrative Management; and Supply Chain Management. It is important to remember that VEAP is not just a project to replace old systems with newer technology. The Program also is intended to focus on opportunities to reengineer business practices and to achieve efficiencies whenever possible.

The implementation will be accomplished over a multi-year period and will be managed through phased rollouts. Phase I of the VEAP will result in an integrated, fully-functional Financial Management and Performance Budgeting solution and related business processes. The targeted implementation dates are June 2008 for Performance

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Budgeting and June 2009 for Financial Management.

Many Commonwealth agencies conduct their business processes - such as accounting, payroll, budgeting, personnel management, and travel - through repetitive systems, leading to inefficiencies, excessive manual input, and duplication. For example, only eleven percent (11%) of financial transactions made by COVA agencies originate in the Commonwealth's central accounting system, with many agencies using systems that they have acquired or developed in-house over time to suit their specific needs. This has led to fractured processes, multiple systems, time-consuming reconciliation of data, and reduced central oversight. Many of these systems are old, obsolete, and inflexible and have too few staff in both the public and private sectors with the know-how to operate and service them. This limited knowledge base presents a risk to the Commonwealth's administrative operations.

1.2 VEAP Phase I Scope

During Phase I, the Commonwealth Accounting and Reporting System (CARS) and the budget development (PROBUD) system will be replaced and a new statewide Chart of Accounts will be implemented.

The agencies that will be affected by the Phase 1 implementation are:

- all agencies that currently utilize CARS as their primary accounting system (enter information on-line to CARS) will use the new solution, and
- agencies that currently interface data to CARS will interface to the new solution;

The agencies that will be affected by implementation of the Performance Budgeting solution are:

- all agencies that currently use PROBUD.

Four additional agency legacy financial management systems will be replaced as part of Phase I (Department of General Services, Virginia Employment Commission, Virginia Information Technologies Agency and Virginia Department of Transportation). All other Executive branch, non-higher education agencies that have their own legacy financial management system will be implemented in a future phase of the VEAP.

The Phase I Planning activity is the process of completing the general design and implementation plan for these two solutions. As stated previously, Phase I of VEAP includes Enterprise Financial Management and Performance Budgeting solutions. Future State Environment Definition Documents have been drafted for each of the following business areas:

- General Accounting;
- Performance Budgeting;
- Purchasing,
- Accounts Payable,
- Accounts Receivable,
- Fixed Assets,
- Cost Accounting, and
- Time and Attendance, Labor Distribution, and Leave Accounting.

The following agencies were invited to participate in the Workshop Session reviews of the *Future State Environment Definition Document - Financial Management – Purchasing* to corroborate and provide input to the proposed business process threads:

- Department of Accounts, DOA,
- Virginia Information Technologies Agency, VITA,
- Science Museum of Virginia, SMV,

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- Virginia Employment Commission, VEC,
- Virginia School for the Deaf and Blind at Staunton, VSDBS,
- Department of Occupational Regulation, DPOR,
- Department of Health Professions, DHP,
- Jamestown Yorktown Foundation, JYF,
- Marine Resources Commission, MRC,
- Department of Corrections, DOC,
- Department of Aviation, DOAV,
- Department of General Services, DGS, and
- Virginia Department of Transportation, VDOT.

1.3 Future State Business Process / Best Practice Environment Definition Documents

Completing the Future State Business Process / Best Practice Environment Definition Documents is one of the primary tasks of Phase I Planning. Defining the Future State means addressing and analyzing the best practice business processes, change impacts, organizational design, and functional requirements for each business area. During this effort, CGI and the Commonwealth of Virginia (COVA) will:

- analyze current business processes – review and update business process descriptions documented in the Draft Financial Management (FM) and Performance Budgeting (PB) Future State Business Process / Best Practice Environment Definition Documents,
- identify business process reengineering opportunities,
- define the Future State Environment – document how business processes should be executed with the new enterprise solution, using best practice in conjunction with Commonwealth specific requirements,
- identify any organizational impacts that should be considered with the new enterprise solution,
- validate the functional requirements documented in the Draft Financial Management (FM) and Performance Budgeting (PB) Future State Business Process / Best Practice Environment Definition Documents,
- add necessary requirements,
- remove unnecessary requirements,
- prioritize requirements by business impact,
- identify the organizational impact of the requirements (enterprise-wide vs. agency-specific), and
- finalize the list of functional requirements.

The Final FM & PB Future State Business Process / Best Practice Environment Definition Documents will be used to drive the Fit/Gap Analysis, create several sections of the Final General Design and Implementation Plan deliverable, and develop cost estimates. The document will also be used in subsequent phases of VEAP such as during detailed design and testing. For example, the functional requirements will eventually be further divided into detailed system/technical requirements and used to create test cases/scripts; the defined process threads will drive the execution of business process reengineering efforts during implementation and support the development of training materials.

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1.4 Purpose

The Future State Environment Definition Document describes the needs, stakeholders, legal and process reforms, process threads, and functional requirements that should be available in a *Financial Management – Purchasing* business process solution. This document identifies the activities associated with the *Financial Management – Purchasing* business process threads for the Commonwealth, as well as the stakeholders and users associated with such processes. In addition, this document describes high level business processes along with the functional requirements associated with these business processes. All functional requirements are marked with a priority of (1) Mandatory, (2) Desirable or (3) Optional and are identified as Enterprise or agency-specific where necessary.

1.5 Scope

This particular future state environment document defines the process threads associated with the following business processes:

- Set Up and Maintain Vendors,
- Create/Maintain, and Validate Requisitions and Requisition Changes,
- Create/Maintain, and Validate Purchase Orders (PO) and Purchase Order Changes (Change Orders),
- Capture and Reconcile PCard Transactions,
- Receive Goods and Services, and
- Create/Maintain Construction Contracts.

1.6 Document Outline

The remainder of the document contains the following sections:

Section 2 – Positioning. This section briefly describes the business problems inherent in the current environment and the opportunities for implementation of the Enterprise Resource Planning (ERP) solution.

Section 3 – Stakeholder and User Descriptions. This section identifies the Commonwealth and outside organizations that have a significant stake in the process and the success of the project. The on-going roles and responsibilities are described for the Stakeholders and Users along with their organizations.

Section 4 – Key Product Requirements. This section introduces the future state environment by identifying the three to six overarching business concepts that will be provided by the ERP solution to address major weaknesses in the current environment.

Section 5 – Process Thread Summary. This section documents the specific characteristics of the future state environment. The major business processes are defined within each business area, the key steps in each process, and the specific system capabilities required to support the function in a manner that permits the Commonwealth to meet mandates in an efficient manner.

Section 6 – Process Thread Detail Description. This section describes how each business process thread defined in the previous section is performed in the ERP solution. Each process is described in flowchart and tabular format and each process detail step is numbered sequentially within each process thread.

Section 7 – Data Flow Details. This section details the flows of data both in and out of the business process. The graphics contained in this section identify the impacts to existing systems and processes as they relate to each agency in the Commonwealth.

Section 8 – References. This section contains the sources of information used as references to the business process. The terms used in the document along with the definitions of those terms are also included in this section.

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2. Positioning

This section of the Future State Environment Definition Document describes the overall business opportunity for the *Financial Management – Purchasing Process* business process. In addition, this section describes some of the high level changes that need to occur, states the current problems in the existing environment, and identifies the potential benefits that could be achieved through the ERP solution.

2.1 Business Opportunity

The VEAP Team strongly believes that a comprehensive solution to the Commonwealth's business concerns involves much more than simply installing new technology. Rather, a complete solution is the integration of technology, process, people, and approach in a manner that recognizes the unique aspects of the current situation and the future. The solution we envision for VEAP in the area of financial and operational accounting considers all these elements.

The Commonwealth currently relies on numerous systems, applications, and processes to support the *Financial Management –Purchasing* business process. The recommended ERP solution would include the following elements:

- a modern, public sector-oriented, integrated Financial System as the core of the new architecture. At a minimum, this commercially available application would replace CARS and a significant percentage of the function-specific modules that have been developed by many agencies to address CARS deficiencies,
- a service delivery organizational structure that recognizes the wide range of differences among the various Commonwealth agencies and provides the flexibility for each agency to execute business processes in the manner and with a staffing structure that best meets its needs, and
- a phased implementation approach that gives the Commonwealth the opportunity to carefully control costs and risks, and to make implementation and rollout decisions based upon both project performance and other future conditions.

2.1.1 Systems Summary

- The Commonwealth's current purchasing system, eVA, is administered by the Department of General Services (DGS). Many agencies are direct users of eVA, while others, for the most part those with their own ERP, have interfaces to eVA. The system of record for purchasing activity is eVA for agencies using it directly. Agencies with a different purchasing solution maintain their own system of record, and
- eVA has its own Vendor Portal which allows vendors enter and maintain registration accounts. This component captures solicitation, Department of Minority Business Enterprises (DMBE) certification, order and payee data. DGS also has the ability to enter and maintain this vendor data as necessary. The current policy is that all Commonwealth Purchase Orders must pass through eVA.

2.1.2 High Level Changes Summary

- All Phase I agencies will be required to use eVA for all requisitioning, ordering, including entering chart of accounts data, and receiving,
- some agencies are doing summary or blanket POs without sufficient detail to allocate costs to the appropriate chart of accounts, and
- for PCard orders not processed through eVA (non-eVA purchases), all Phase I agencies will be required to replace their current purchase card log processes/procedures with the EA purchase card log processes/procedures.

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Example 1: Agency Uses eVA Purchasing System

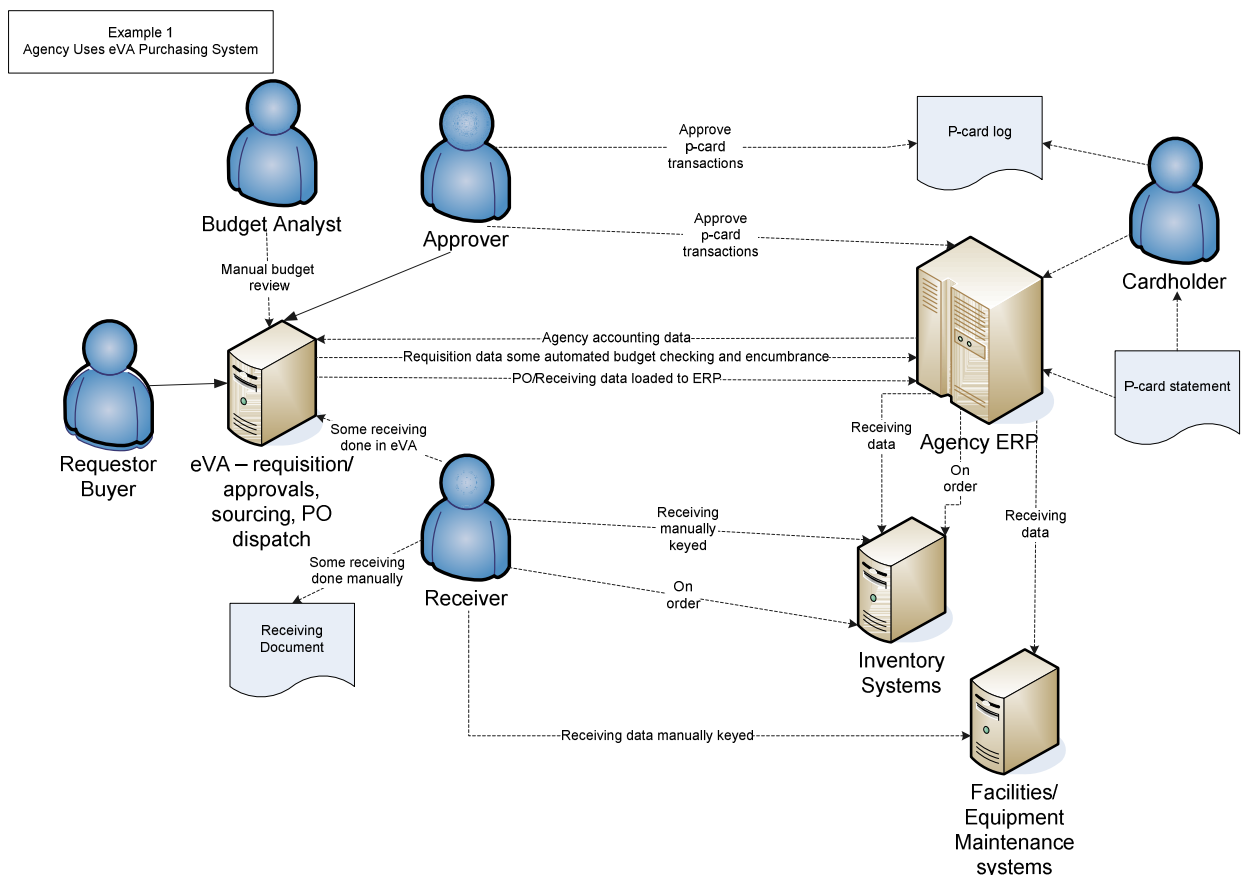
In this example an agency, such as DGS, has implemented full and direct use of eVA for all requisitioning, sourcing and ordering, excluding some purchase card transactions. The agency may or may not have elected to use eVA receiving functionality. In this example, the agency has the following options:

- ✓ Use or not use eVA receiving functionality.
- ✓ Provide or not provide agency accounting data.
- ✓ Integrate eVA with an internal agency financial system to facilitate budget checking, pre-encumbrance/encumbrance, and accounts payable functions.
- ✓ Export eVA purchase transaction data to internal agency financial system to facilitate accounts payable functions.

Requirements are sourced in eVA using the automated eVA eMall catalog, eVA Quick Quote, and eVA eProcurement tool sets.

Purchase orders are dispatched from eVA to suppliers.

Exhibit 2-1 - FM03 Purchasing - Current State Environment



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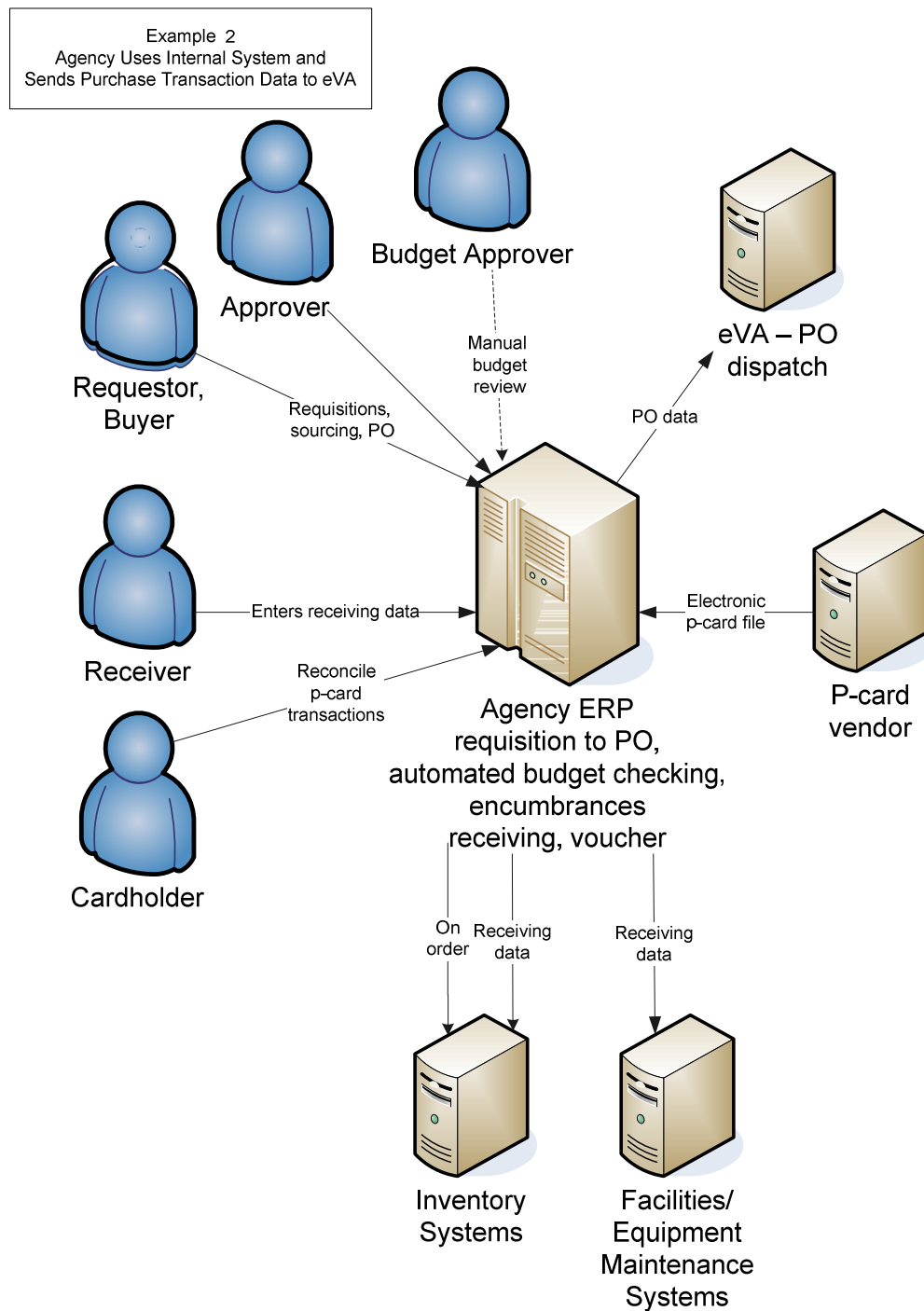
Example 2: Agency Uses Internal System and Sends Purchase Transaction Data To eVA

In this example an agency, such as VDOT, has implemented full and direct use of its internal agency ERP system for all requisitioning and ordering, excluding some purchase card transactions.

- ✓ Requirements sourcing is done outside the agency ERP and without benefit of the eVA automated sourcing tools such as eMall catalogs, Quick Quote, and eProcurement.
- ✓ The agency exports purchase transaction data from its internal ERP system to eVA
- ✓ Purchase orders are dispatched from eVA to suppliers.

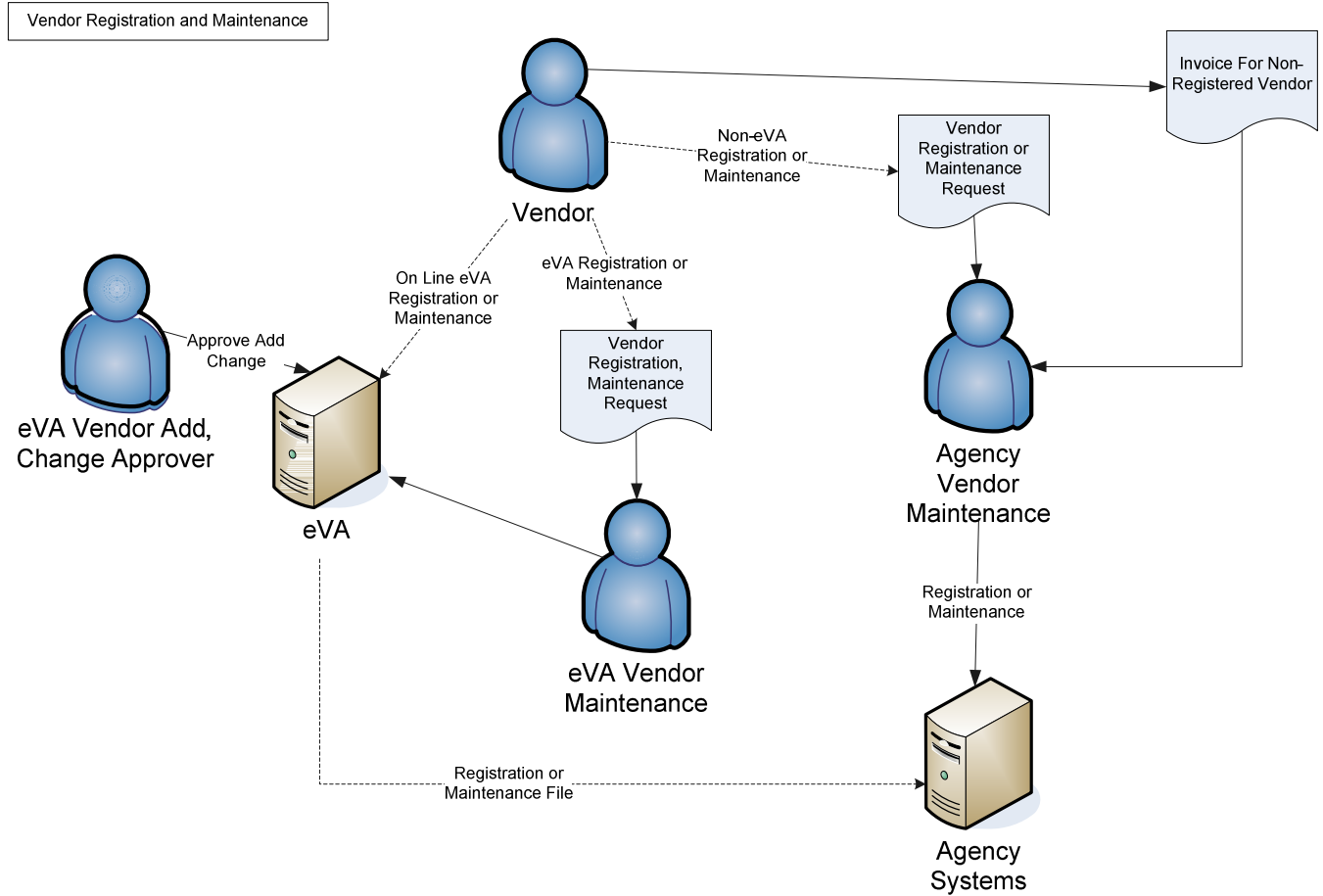
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Exhibit 2-2 - FM03 Purchasing - Current State Environment



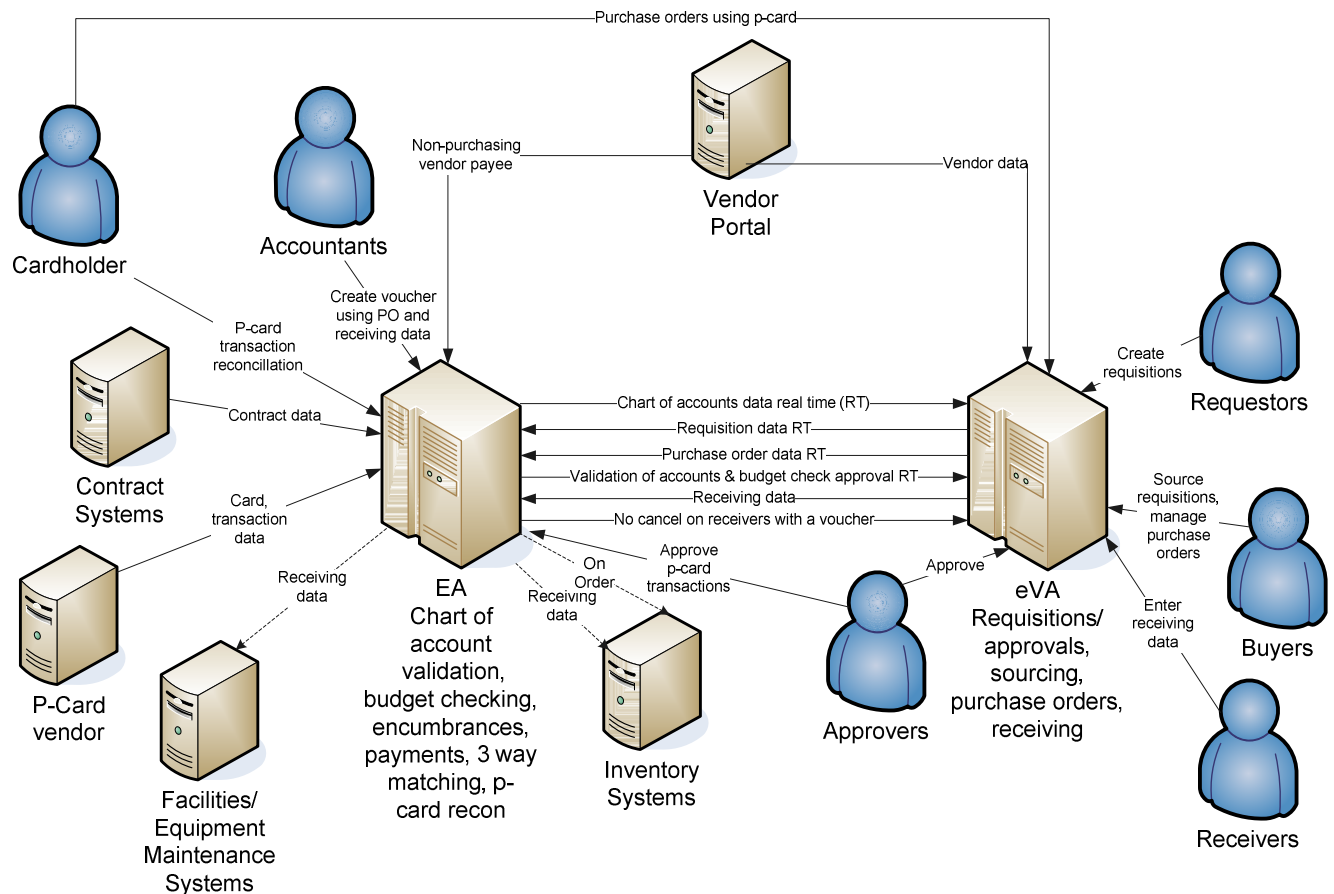
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Exhibit 2-3 - FM03 Purchasing - Current State Environment



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Exhibit 2-4 - FM03 Purchasing - Future State Environment



2.1.3 Future State

Exhibit 2-2 illustrates the Purchasing future state environment for Phase I. Phase I includes the implementation of an ERP solution comprised of Financial Management, Performance Budgeting components. The implementation of this ERP solution will replace CARS and other legacy financial management systems and provide a system to support purchasing and payment activities, eVA will remain in the future state and continue to be the Commonwealth's purchasing system.. In-scope agencies will use the PCard component of the ERP solution for PCard reconciliation and distribution of charges.

Phase I in-scope agencies will be required to use the new ERP solution. Every Phase I in-scope agency will:

- 1) reconcile, approve and distribute PCard transactions in the ERP,
- 2) use eVA to create requisitions, issue purchase orders, and
- 3) receive in eVA for use in A/P and other applications as appropriate.

Phase I out-of-scope agencies will continue to process purchasing activities in the same manner as they do today.

In Phase II, the remainder of in scope agencies will become users of eVA and the PCard component of the ERP solution. Phase III includes the supply chain tower consisting of purchasing, inventory and equipment management in one integrated solution. Having Phase I and Phase II agencies using the ERP as well as implementing a fully integrated enterprise supply chain solution in Phase III will amplify the benefits gained from the implementation of an enterprise solution.

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2.1.4 Improvement Opportunities

The implementation of the new ERP system along with new and modified policies and procedures will provide a number of benefits and improvements to financial management processes within the Commonwealth of Virginia.

A new ERP will enable the Commonwealth to leverage technology to efficiently and effectively manage resources. The system will capture PCard data and purchasing financial data from eVA and fully integrate with financial management. Self-service and automated workflow functionality will provide improved employee satisfaction and reduced operational costs. Decisions around purchasing can be made with increased accuracy and reliability due to the availability of up-to-date purchasing information and uniformity amongst Commonwealth agencies.

Some of the overall improvements that will be achieved with the new ERP system are:

- elimination of redundant data entry and reconciliation,
- automated workflow capabilities,
- reduced risk associated with dated system applications and the aging workforce most familiar with them,
- a web-based, intuitive user interface,
- more efficient customer service to the citizens of the Commonwealth of Virginia,
- integrated and powerful reporting capabilities including management reporting tools, decision analytics, and management performance dashboards, as well as a variety of standard reports, inquiries, and tools, and
- comprehensive security and internal controls

Some purchasing specific improvements that will be achieved with the new ERP system are:

- standard PCard process for the Commonwealth,
- automated reconciliation of PCard transactions,
- better controls on PCard transactions with daily download of transaction file,
- better controls with on line receiving and matching,
- centralized control for change management and to achieve compliance with Commonwealth mandates and policies,
- improved data integrity,
- reduction in the number of agency systems,
- simplified future statewide system architecture,
- administrative efficiencies using self-service capabilities, and
- integration with the Financial system for faster, streamlined budget checking and encumbrances thereby improving financial controls on procurement transactions and speeding up the process.

Some vendor specific improvements that will be achieved with the new ERP system are:

- elimination of the requirement for vendors to provide and maintain redundant vendor data, including W-9 forms, to individual and disparate business functions and systems across the Enterprise,

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- one internet Portal at which vendors can access information about business (procurement) opportunities, status of applications for DMBE SWAM certification, payments, etc.; and
- faster payment.

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2.2 Problem Statement

The problem statement below identifies the overall problems that have been identified for the AS-IS environment related to the *Financial Management - Purchasing* business process.

Problem	Effect	Impact	Solution	Benefit
1. Across the Commonwealth enterprise there are many agency specific systems that may or may not be capable of sharing data.	<ul style="list-style-type: none"> • Redundant data • Data for a single transaction may reside in multiple systems / platforms. • Additional costs associated with supporting multiple systems. • System inefficiencies and incomplete data. • Vendors have to register in multiple systems. 	<ul style="list-style-type: none"> • Need to search more than one system in order to capture all data. • Extensive manual effort may be required to meet FOIA or similar data requests. • 	<ul style="list-style-type: none"> • Single source of record. 	<ul style="list-style-type: none"> • Increased efficiency and accuracy. • Reduce overall statewide software, maintenance, and/or upgrade costs.

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Problem	Effect	Impact	Solution	Benefit
2. Current purchasing is integrated with relatively few number of agency systems.	<ul style="list-style-type: none"> Receiving may be done in eVA or manually with matching done manually for agencies without their own ERP. Agencies with an ERP follow different processes for matching and AP because they do not all have the same ERP product or version. Some duplicate data entry and storage of data (duplicate contract data). Manual budget review. 	<ul style="list-style-type: none"> Increased manual effort. Increased risk of errors due to double entry of data. Use of additional resources to create and maintain interfaces with approximately 25 agency ERP/financial systems. 	<ul style="list-style-type: none"> Create a state-of-the-art purchasing system that is fully integrated at the enterprise level. Flexible reporting capabilities. Solution for Phase 1 is to integrate the current eVA functionality with the necessary EA modules to support chart of account validation, budget check, encumbrance accounting, purchase card reconciliation, receipt capture and automated matching. 	<ul style="list-style-type: none"> Automated match process. Allows for receipt accrual. Single entry of data. Eliminate duplicate data entry and reduce errors. Easily generate ad-hoc reports to meet unique needs of agencies, buyers, legislative bodies, other executives and decision makers, as well as the general public and vendors.

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Problem	Effect	Impact	Solution	Benefit
3. There is no commonly accepted single statewide vendor database that meets both procurement and payment needs. Agencies with their own ERP systems maintain their own individual vendor databases using a combination of vendor data routinely downloaded from eVA and vendor data obtained from other sources including vendors and CARS.	<ul style="list-style-type: none"> • Vendor data is stored in multiple systems. • Redundant • Not controlled • Not consistent • Poorly maintained • Lacks master data management. 	<ul style="list-style-type: none"> • Increased resources required to support the effort to keep databases current. • A single vendor address change needs to be recorded in multiple systems. • Although vendors can self-maintain eVA vendor registration records, they cannot do self-maintenance to any of the agency-specific vendor databases. Not all agency-specific vendor databases are synchronized to eVA in a timely manner. • Vendors are in multiple databases. 	<ul style="list-style-type: none"> • Single site for vendor registration and maintenance. • Vendor database is to include both payable and procurement type vendors. 	<ul style="list-style-type: none"> • Increased efficiency and accuracy. • Easier and more accurate vendor reporting. • Improved vendor customer service. • Supports DMBE initiatives for certification and use of SWaM vendors.

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Problem	Effect	Impact	Solution	Benefit
<p>4. There are multiple technologies being used for purchasing. Some of the current system technologies are outdated.</p> <p>Note: Of the 138 Phase I agencies, 136 are either using eVA directly or another organization is doing their procurement for them using eVA. Two agencies (VITA and VEC) export data from eVA to their agency financial system. One agency (VDOT) creates orders in its financial system and exports the data into eVA. One agency (988 City/County Treasurers) does not do procurement.</p>	<ul style="list-style-type: none"> • Difficult to replace employees with system knowledge and expertise. • Access controls are not systematically tied to position controls or responsibilities across systems. 	<ul style="list-style-type: none"> • Increase in risk of system failure. • Risk of security breaches. • Employees may have to be re-trained when moving from agency to agency. 	<ul style="list-style-type: none"> • New technology allowing for multiple layers of security. • System with self-service capabilities for employees, suppliers and general public. 	<ul style="list-style-type: none"> • Protect confidential data while providing easier security maintenance and review capabilities. • Improved user interfaces and end user system experience. • Reduce training costs. • Increased productivity. • Use of a standard procurement tool, such as eVA, eliminates the requirement to re-train employees that move from agency to agency.

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Problem	Effect	Impact	Solution	Benefit
<p>5. eVA has standard approval workflow rules that are data driven. Multiple variations of eVA approval workflows have been implemented depending on the agency</p> <p>There are no standard workflows for agencies using internal systems and sending purchase order data to eVA.</p>	<ul style="list-style-type: none"> • Different combinations of paper, manual, and automated processes. 	<ul style="list-style-type: none"> • Time consuming effort to complete processes such as obtaining manager approval. • Delays procurement cycle time. 	<ul style="list-style-type: none"> • System with automated workflow and notification/alerts functionality. • Interface/integrate with eVA for Phase 1 to leverage its automated workflow. 	<ul style="list-style-type: none"> • Route documents electronically to the appropriate individual for review and approval. • Reduce paper files. • Increase agency efficiency and improve cycle time of transactions. • Increased visibility and oversight. • Automated safeguards. • eVA workflow expedites the approval process by providing email notification for pending approvals and allowing on-line approvals. eVA workflow expedites the procurement cycle time.

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Problem	Effect	Impact	Solution	Benefit
6. Many agencies have only informal budget management/check procedures in place. In addition, most agencies do not practice pre-encumbrance and/or encumbrance accounting.	<ul style="list-style-type: none"> Agencies could over or under commit available funds. Unless an agency has opted to integrate its existing ERP/financial system with eVA, the agency does not have the option to practice automated budget checking, pre-encumbrance, and encumbrance accounting 	<ul style="list-style-type: none"> Agencies don't have the visibility that enables them to more effectively manage budgets. 	<ul style="list-style-type: none"> Implement EA Phase I Procure-to-Pay business process incorporating automatic budget checks, pre-encumbrance, and encumbrance functionality. 	<ul style="list-style-type: none"> Although individual agencies can opt for "controlling" or "non-controlling" budget checks, this business process will provide agencies real-time budget oversight capabilities and eliminate over or under committing available funds. Allows managers to more effectively manage their spending plans.
7. Many agencies use labor intensive matching processes.	<ul style="list-style-type: none"> Increased costs associated with manual paper process. Increased risk of payment errors 	<ul style="list-style-type: none"> Higher costs More difficult to meet prompt pay requirements Increased risk of payment errors. Manual reconciliation of monthly PCard statements. 	<ul style="list-style-type: none"> Implement EA Phase I Procure-to-Pay business process 	<ul style="list-style-type: none"> Increased efficiency and accuracy Reduced costs Improved compliance with prompt pay requirements

3. Stakeholder and User Descriptions

To effectively provide products and services that meet the needs of stakeholders and users, it is necessary to identify and involve all of the stakeholders as part of the 'future state environment' for the *Financial Management – Purchasing* business process. This section provides a profile of the stakeholders and users involved in the project and the key problems that they perceive will be addressed by the ERP solution.

3.1 Stakeholder and User Definition

A stakeholder is a party who affects, or can be affected by, the Commonwealth's actions in relation to the business process within the Financial Management and Performance Budgeting Processes. The stakeholder concept was developed and championed by [R. Edward Freeman](#) in the 1980s. It has gained wide acceptance in business practice and in theorizing relating to [strategic management](#), [governance](#), and [business purpose](#).

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Users are widely characterized as the class of people that uses a system without complete technical expertise. However, users have understanding and knowledge of the business process in which the system is used to accomplish the execution of the business process.

3.2 User Summary

This section provides a list of the users involved in the project. This information is used in the following section which describes the user profiles.:

- (3.3.1) Requestors,
- (3.3.2) Buyers,
- (3.3.3) Purchase Charge Cardholders,
- (3.3.4) Supervisors/Manager,
- (3.3.5) Receivers,
- (3.3.6) Accounts Payable Users,
- (3.3.7) Vendors,
- (3.3.8) General Public,
- (3.3.9) Department of General Services (DGS),
- (3.3.10) Virginia Information Technologies Agency (VITA),
- (3.3.11) Department of Accounts (DOA),
- (3.3.12) Procurement Audit Organizations,
- (3.3.13) Department of Minority Business Enterprises (DMBE), and
- (3.3.14) VDOT Highway Construction Group.

3.3 User Profiles

Each unique user of the system is described in this section. User types can be as divergent as experts and novices. For example, an expert might need a sophisticated, flexible tool with cross-platform support, while a novice might need a tool that is intuitive based upon prescribed standards.

No attempt is made in this section to distinguish between the different users' requirements.

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3.3.1 Requestors

User Type Name	Requestors Note: In many agencies requestors are also buyers, purchase charge cardholders, supervisors, managers, receivers, etc
Representative	Requestor from any phase one agency
Description	Requestors identify the need for a good or service
Type	Requestor is a user of requisitions in the application Note: Requestors that are also buyers, purchase charge card holders, supervisors, managers, receivers, etc. may also use other components of the application
Responsibilities	Create complete requisition in the system noting what is required, when needed, specifications, suggested source, valid chart of accounts, etc
Success Criteria	<ul style="list-style-type: none"> Seamless workflow and user friendly process Reduction in paperwork and errors
Involvement	<ul style="list-style-type: none"> Provide knowledge as needed in relation to business processes Streamline agency specific business purchasing business processes, name policies, procedures and business processes Participate in User Acceptance Testing

3.3.2 Buyers

User Type Name	Buyers Note: In many agencies buyers are also requestors, purchase charge cardholders, supervisors, managers, receivers, etc
Representative	Buyers from any phase one agency
Description	Buyers are tasked with the actual procurement of the good or service required to satisfy the requestors need
Type	Buyer is a user of all requisitioning and procurement functionality in the application
Responsibilities	<ul style="list-style-type: none"> Review the requisition [The buyer may also create the requisition] Determine if need can be satisfied using an existing contract If purchase not from contract determine and execute proper procurement method Manage and maintain purchase orders Manage and maintain contracts Use vendor data for sourcing purposes (e.g. bidders list and quick quotes) Conduct spend analysis
Success Criteria	<ul style="list-style-type: none"> Seamless workflow and user friendly process Reduction in paperwork and duplicate keying of data Effective procurement cycle time
Involvement	<ul style="list-style-type: none"> Provide knowledge as needed in relation to business processes Streamline agency specific business purchasing business processes, name policies, procedures and business processes Participate in User Acceptance Testing

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3.3.3 Purchase Charge Cardholders

User Type Name	Purchase Charge Cardholders Note: In many agencies purchase charge cardholders are also requestors, buyers, supervisors, managers, receivers, etc
Representative	Purchase charge cardholders from any phase one agency
Description	Purchase charge cardholders request and/or purchase goods/services using purchase charge card. Charge card purchases may be made over the counter or using a purchase order
Type	Purchase charge cardholders may or may not be requestors that create requisitions and/or buyers that issue purchase orders
Responsibilities	<ul style="list-style-type: none"> • Procure goods and services within their delegated dollar limit • Procurements are made within policy guidelines • Reconcile their monthly purchase charge card statement
Success Criteria	<ul style="list-style-type: none"> • Seamless workflow and user friendly process • Reduction in paperwork and duplicate keying of data • The system is useable by trained staff • Ability to retire legacy financial systems
Involvement	<ul style="list-style-type: none"> • Provide knowledge as needed in relation to business processes • Streamline agency specific business purchasing business processes, name policies, procedures and business processes • Participate in User Acceptance Testing

3.3.4 Supervisors/Manager

User Type Name	Supervisors/Managers NOTE: In many agencies supervisors/managers are also requestors, buyers, purchase charge card holders, receivers, etc
Representative	Supervisors/Managers from any phase one agency
Description	Supervisors/Manager oversee individual and/or groups of requestors, buyers, purchase charge cardholders, receivers, etc
Type	Supervisors/Manager approve or deny requisitions in the application. Supervisors/Managers may also use other components of the application
Responsibilities	<ul style="list-style-type: none"> • Review requisitions and determine if what is requested is truly needed by the agency to fulfill its strategic objectives • Review chart fields to ensure the correct chart of accounts is being charged
Success Criteria	<ul style="list-style-type: none"> • Seamless workflow and user friendly process • Reduction in paperwork and duplicate keying of data • The system is useable by trained staff • Ability to retire legacy financial systems
Involvement	<ul style="list-style-type: none"> • Provide knowledge as needed in relation to business processes • Streamline agency specific business purchasing business processes, name policies, procedures and business processes • Participate in User Acceptance Testing

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3.3.5 Receivers

User Type Name	Receivers NOTE: In many agencies receivers are also requestors, buyers, purchase charge card holders, supervisors/managers, etc
Representative	Receivers from any phase one agency
Description	Receivers receive the good and/or service listed on the purchase order
Type	Receivers document the receipt of goods and or services against a purchase order and thereby authorize payment to the vendor upon receipt of the invoice. Receivers may also use other components of the application
Responsibilities	<ul style="list-style-type: none"> • Document the receipt of the good or service in the application • Inspect the good for damage and compliance with the specification • Return and document the return of damaged goods • Notify buyers of receipt problems
Success Criteria	<ul style="list-style-type: none"> • Seamless workflow and user friendly process • Accurate receiving • Reduction in paperwork and duplicate keying of data.
Involvement	<ul style="list-style-type: none"> • Provide knowledge as needed in relation to business processes • Streamline agency specific business purchasing business processes, name policies, procedures and business processes • Participate in User Acceptance Testing

3.3.6 Accounts Payable Users

User Type Name	Accounts Payable Users
Representative	Accounts payable users from any phase one agency
Description	Accounts payable users create vouchers upon receipt of invoice
Type	Accounts payable users create vouchers upon receipt of invoice by copying in receiver/purchase order data for matching
Responsibilities	<ul style="list-style-type: none"> • Create voucher from receiver and purchase order • Approve payment
Success Criteria	<ul style="list-style-type: none"> • No re-keying of data • Reduction in cost to execute the accounts payable process • The system is useable by trained staff • Ability to retire legacy financial systems
Involvement	<ul style="list-style-type: none"> • Provide knowledge as needed in relation to business processes • Streamline agency specific business purchasing business processes, name policies, procedures and business processes • Participate in User Acceptance Testing

3.3.7 Vendors

User Type Name	Vendors
Representative	Vendor community
Description	Vendors supply goods/services and are paid
Type	Vendors use the vendor components of the application

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User Type Name	Vendors
Responsibilities	<ul style="list-style-type: none"> • Self-register and maintain their registration providing information required by the procurement process and by the payment process • Receive and process orders • Apply for DMBE and/or DBE certification when applicable • Submit/publish electronic catalogs • Receive and respond to solicitations • Submit electronic invoices
Success Criteria	<ul style="list-style-type: none"> • User friendly online processes and functionality that supports vendor participation in state business opportunities and receipt of prompt payment for delivered goods and services • Timely addition of vendors to EA vendor table to facilitate issuance of purchase orders and payments.
Involvement	<ul style="list-style-type: none"> •

3.3.8 General Public

User Type Name	General Public
Representative	Potential Users of the portal
Description	Individuals, businesses, taxpayers, etc
Type	State regulations require that members of the general public have access to public records, including those related to procurement and payment
Responsibilities	<ul style="list-style-type: none"> • None
Success Criteria	<ul style="list-style-type: none"> • User friendly and streamlined process for accessing public records. [Note: Currently eVA provides the general public online to procurement records and data
Involvement	<ul style="list-style-type: none"> • NA

3.3.9 Department of General Services

User Type Name	Department of General Services (DGS)
Representative	<p>Department of General Services employees including:</p> <ul style="list-style-type: none"> • Directors and managers (DPS and DEB) responsible for administering, developing and overseeing state procurement policies for non-technology goods and services • DPS Buyers responsible for executing procurements exceeding agency delegated procurement thresholds • DPS Buyers responsible for aggregating statewide needs and developing requirements type contracts for use by state agencies and public bodies • DPS Account Executives responsible for configuring agency-specific eVA workflow that satisfies client agency business requirements and for conducting procurement review audits of agency delegated purchases • DPS SWAM Dashboard administrator responsible for ensuring expenditure data is captured, analyzed and reported in various formats on the Governor's SWAM Dashboard • DPS eVA Business Manager responsible for administering, developing and overseeing agency compliance with the eVa Business Plan and for administering, developing and overseeing eVA fee billing and collection activities
Description	DPS and DEB are Divisions of DGS responsible for administering, developing and overseeing the state's procurement policies for non-technology goods and services
Type	DPS supports the integration of eVA and the EA to achieve Phase I procure-to-pay business processes

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User Type Name	Department of General Services (DGS)
Responsibilities	<ul style="list-style-type: none"> • Provide procurement leadership for the Commonwealth and its buyers • Develop and administer policies and programs for the management of the procurement process for non-technology goods and services • Conduct spend analysis • Develop and administer procurement policies and programs to support state objectives for SWAM spend • Develop and administer policies and procedures for the effective utilization of eVA, as well as invoicing and collection of eVA fees assessed to agencies and vendors
Success Criteria	<ul style="list-style-type: none"> • Seamless workflow and user friendly process • Integrated procurement and financial systems • Reduction in paperwork and duplicate keying of data • The system is useable by trained staff • Ability to retire legacy financial systems
Involvement	<ul style="list-style-type: none"> • Provide knowledge as needed in relation to business processes • Streamline agency specific business purchasing business processes, name policies, procedures and business processes • Participate in User Acceptance Testing

3.3.10 Virginia Information Technologies Agency

User Type Name	Virginia Information Technologies Agency (VITA)
Representative	<p>VITA employees including:</p> <ul style="list-style-type: none"> • Directors and responsible for administering, developing and overseeing state procurement policies for technology goods and services • VITA Buyers responsible for executing in-scope information technology procurements as well as information technology procurements that exceed agency delegated procurement thresholds • VITA Buyers responsible for aggregating statewide needs and developing requirements type contracts for use by state agencies and public bodies
Description	VITA is responsible for technology procurements for the Commonwealth.
Type	VITA is responsible for administering, developing and overseeing the state's procurement policies for non-technology goods and services, as well as the state's contract with Northrup Grumman for outsourced technology goods and services
Responsibilities	<ul style="list-style-type: none"> • defines the standard workflow necessary to ensure agency information technology procurements requests (requisitions) are received and processed by VITA unless the specific requirement is out-of-scope; and • electronic receiving satisfies all requirements for information technology procurements executed on behalf of client agencies and paid for by VITA • Provide information technology procurement leadership for the Commonwealth and its buyers • Develop and administer policies and programs for the management of the procurement process for technology goods and services • Conduct spend analysis • Develop and administer procurement policies and programs to support state objectives for SWAM spend for technology requirements • Develop and administer policies and procedures for the effective utilization of eVA for in-scope and out-of-scope information technology goods and services • Develop and administer policies and procedures for the effective invoicing and collection of VITA fees assessed to agencies and vendors

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User Type Name	Virginia Information Technologies Agency (VITA)
Success Criteria	<ul style="list-style-type: none"> Seamless workflow and user friendly process Integrated procurement and financial systems Reduction in paperwork and duplicate keying of data The system is useable by trained staff Ability to retire legacy financial systems
Involvement	<ul style="list-style-type: none"> Provide knowledge as needed in relation to business processes. Streamline agency specific business purchasing business processes, name policies, procedures and business processes Participate in User Acceptance Testing

3.3.11 Department of Accounts

User Type Name	Department Accounts (DOA)
Representative	Department of Accounts employees, specifically those involved with the purchase charge card
Description	The administrators of the central purchase card for the Commonwealth who are responsible for administering, developing and overseeing the state's purchase card policies
Type	DOA supports the application
Responsibilities	<ul style="list-style-type: none"> Provide purchase card leadership for the Commonwealth and its cardholders. Develop and administer policies and programs for the management of the purchase card and process
Success Criteria	<ul style="list-style-type: none"> Seamless workflow and user friendly process Integrated purchase card process with financial systems Automated reconciliation of detail card invoice Reduction in paperwork and duplicate keying of data The system is useable by trained staff Ability to retire legacy financial systems
Involvement	<ul style="list-style-type: none"> Provide knowledge as needed in relation to business processes Streamline agency specific business purchasing business processes, name policies, procedures and business processes Participate in User Acceptance Testing

3.3.12 Procurement Audit Organizations

User Type Name	Procurement Audit Organizations
Representative	Procurement Audit Organizations include: <ul style="list-style-type: none"> DPS Procurement Consulting and Review Bureau Audit of Public Accounts Agency Internal Audit Departments
Description	Procurement Audit Organizations are tasked with auditing procurement transactions from requisition to voucher
Type	User of the system
Responsibilities	<ul style="list-style-type: none"> Monitor and evaluate agency purchasing groups
Success Criteria	<ul style="list-style-type: none"> The system is useable by trained staff
Involvement	<ul style="list-style-type: none"> Provide knowledge as needed in relation to business processes Streamline agency specific business purchasing business processes, name policies, procedures and business processes Participate in User Acceptance Testing

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3.3.13 Department of Minority Business Enterprises

User Type Name	Department of Minority Business Enterprises (DMBE)
Representative	Department of Minority Business Enterprises staff is involved with certification of SWAM vendors
Description	Department of Minority Business Enterprises certifies SWAM vendors, maintains SWAM certification records, assists agencies to develop SWAM business plans that support state goals and objectives for SWAM participation in state business opportunities, and monitors achievement of agency-specific SWAM business goals and objectives
Type	Users of the system
Responsibilities	<ul style="list-style-type: none"> • Certification of SWAM vendors
Success Criteria	<ul style="list-style-type: none"> • Reduction in paperwork and duplicate keying • The system is useable by trained staff
Involvement	<ul style="list-style-type: none"> • Provide knowledge as needed in relation to business processes • Streamline agency specific business purchasing business processes, name policies, procedures and business processes • Participate in User Acceptance Testing

3.3.14 VDOT Highway Construction Group

User Type Name	VDOT Highway Construction Group
Representative	VDOT Highway Construction Group administers highway construction and maintenance contracts
Description	VDOT highway construction group issues solicitations, awards contracts and tracks contract progress in their SiteManager system, which was developed and maintained by AASHTO
Type	Users of the contract functionality of the EA for use with processing payments
Responsibilities	<ul style="list-style-type: none"> • Insure that SiteManager contracts with changes are imported into the EA correctly and timely for payment
Success Criteria	<ul style="list-style-type: none"> • Reduction in paperwork and duplicate keying
Involvement	<ul style="list-style-type: none"> • Provide knowledge as needed in relation to business processes • Streamline agency specific business purchasing business processes, name policies, procedures and business processes • Participate in User Acceptance Testing.

3.4 Stakeholder Summary

The following section provides a list of the groups/parties which can either affect or can be affected by the Commonwealth's actions in relation to the business processes within Financial Management. The table that follows additionally provides information about the type of influence the stakeholder may have, their needs and expectations, success criteria, key challenges/issues/concerns associated with the stakeholder, as well as the risk of not addressing their needs/expectations, and the stakeholder's general interest in the VEAP.

3.5 Appendix B - Stakeholder Profiles

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4. Key Product Requirements

While the detailed business and system requirements for the *Financial Management – Purchasing Process* business process are contained within Appendix A, this section emphasizes several high level *Financial Management – Purchasing Process* requirements.

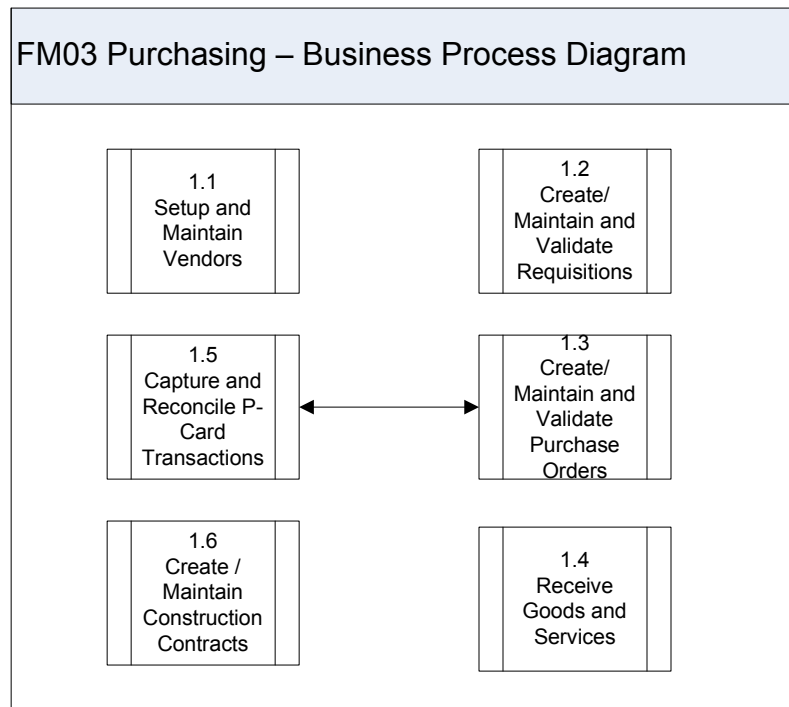
- **eVA System Integration:** The future state has the purchasing process being done in eVA with requisition/purchase order data being loaded into the EA for pre-encumbrance/encumbrance of funds along with receiving data loaded into the EA for payable processing. There is no on-line access to purchasing data in the EA. The key requirement is for the ERP solution to integrate/interface in real time with few batch jobs with eVA so that each User can complete their task in a single session. Users should not have to wait on a batch job.
- **Capability for single vendor registration:** The future state vision is for a single site where a vendor can go to register for business with the Commonwealth and or apply for DMBE/DBE certification. This site will perform all system edits for the ERP solution and also for eVA. Self service for vendors will allow them to update much of their own information on-line at a single site for all Commonwealth purchasing and payables applications. There are some elements that the Commonwealth will maintain (e.g., DMBE Certifications).
- Supports appropriate level of access and use by other Public Sector (e.g., Local Governments, State, etc...) and General Public.
- Chart of Accounts: current chart of account code values must be available across multiple EA modules.
- Requisition processing must support chart of account code verification, budget check, option for pre-encumbrances and control to authorize or deny requisition within eVA.
- Purchase order processing must support chart of account code verification, budget check, relief of any pre-encumbrances, encumbrances and control to authorize or deny order within eVA.
- Receipt capture through integration with eVA.
- Purchase card log and reconciliation.

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5. Process Thread Summary

This section lists the process threads related to the *Financial Management – Purchasing Process* business process. It provides a general description of the business process and lists governing regulations and policy or procedures related to the *Financial Management – Purchasing Process* business process.

Exhibit 5-1 – FM09 Purchasing – Business Process Flow



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Number	Business Thread Name	Description of Business Process Thread	Governing Regulations/Policy
FM03-1.1	Set Up and Maintain Vendors	Vendor Registration and Registration Maintenance is the process of entering and maintaining vendors for both the procurement function and the payables function. Single website for vendors to register themselves and update their data. COVA will continue to have some vendor entry/maintenance duties. Data from the portal will need to be exported to various external systems such as phase 2 Agencies and other out of scope agencies..	<ul style="list-style-type: none"> • Agency Procurement and Surplus Property Manual (APSPM) • CAPP Manual, Section 6011, Vendor Edit Table • Code of Virginia, Title 2.2 Chapter 43 Virginia Public Procurement Act (VPPA) • Department of Minority Business Enterprises Regulations (DMBE) • DPS Vendors Manual • Executive Orders (e.g., Executive Order 33) • Freedom of Information Act • VITA Policy and Regulations • Construction and Professional Services Manual (CPSM)
FM03-1.2	Create, Maintain, and Validate Requisitions and Requisition Changes	This is the process of documenting and requesting a good and/or service. The requisition should capture the who, what, where, when of the need. Requisitions will be interfaced in from eVA for budget checking and pre-encumbrance. Individual agencies will determine whether or not they will invoke encumbrance accounting.	<ul style="list-style-type: none"> • Agency Procurement and Surplus Property Manual (APSPM) • Code of Virginia, Title 2.2 Chapter 43 Virginia Public Procurement Act (VPPA) • DPS Vendors Manual • VITA Policy and Regulations • Construction and Professional Services Manual (CPSM)

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Number	Business Thread Name	Description of Business Process Thread	Governing Regulations/Policy
FM03-1.3	Create, Maintain, and Validate Purchase Orders and Purchase Order Changes	This is the process of issuing purchase orders and any change orders if necessary. Purchase orders and change orders will be interfaced in from eVA for budget checking and encumbrances. Individual agencies will determine whether or not they will invoke encumbrance accounting.	<ul style="list-style-type: none"> • Agency Procurement and Surplus Property Manual (APSPM) • CAPP Manual, Section • Code of Virginia, Title 2.2 Chapter 43 Virginia Public Procurement Act (VPPA) • DPS Vendors Manual • Freedom of Information Act • VITA Policy and Regulations • Construction and Professional Services Manual (CPSM) • Uniform Commercial Code (UCC) • Uniform Computer Information Transaction Act (UCITA) • Uniform Electronic Transaction Act (UETA)

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Number	Business Thread Name	Description of Business Process Thread	Governing Regulations/Policy
FM03-1.4	Receive Goods and Services	This is the process of documenting the receipt and/or rejection of a good or service and conducting any required testing or inspection and executing any returns. Receiving done in eVA and interfaced to the EA.	<ul style="list-style-type: none"> • Agency Procurement and Surplus Property Manual (APSPM) • CAPP Manual • Code of Virginia, Title 2.2 Chapter 43 Virginia Public Procurement Act (VPPA) • DPS Vendors Manual • Freedom of Information Act • VITA Policy and Regulations • Construction and Professional Services Manual (CPSM)
FM03-1.5	Capture and Reconcile Purchase Charge Card Transactions	This is the process of maintaining purchase charge card detail in the EA, capturing transaction detail from the purchase card vendor, reconciling and validating the card vendor detail against purchase orders and non-purchase order transactions. The process also distributes the charges for the transactions to the appropriate chart of accounts.	<ul style="list-style-type: none"> • Agency Procurement and Surplus Property Manual (APSPM) • DOA CAPP Manual Topic 20355 Purchasing Charge Card • DPS Vendors Manual • VITA Procurement Manual • Construction and Professional Services Manual (CPSM)

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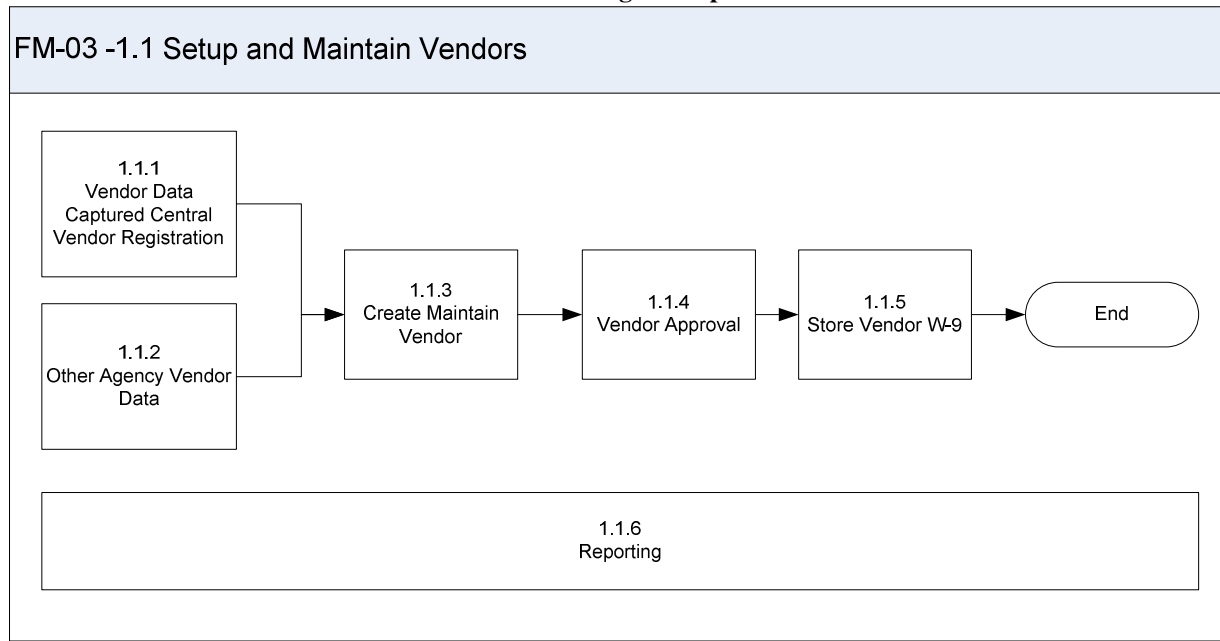
Number	Business Thread Name	Description of Business Process Thread	Governing Regulations/Policy
FM03-1.6	Create and Maintain Construction Contracts	This is the process of creating and maintaining construction contracts that are used without purchase orders. This process is exclusive to VDOT.	<ul style="list-style-type: none"> • Agency Procurement and Surplus Property Manual (APSPM) • Code of Virginia Title 2.2 Chapter 43 Virginia Public Procurement Act • Construction & Professional Services Manual (CPSM) • Construction & Professional Services Manual (CPSM) • Department of Minority Business Enterprises Regulations (DMBE) • DPS Vendors Manual • Executive Orders (e.g., Executive Order 33) • Uniform Commercial Code (UCC) • Uniform Computer Information Transaction Act (UCITA) • Uniform Electronic Transaction Act (UETA) • VITA Procurement Manual

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6. Process Thread Detail Description

6.1 Create/Maintain and Validate Requisitions

Exhibit 6-1 - FM-03 Purchasing – Setup and Maintain Vendors



FM03-1.1 - Process Thread Information – Setup and Maintain Vendors	
Process Description:	Setup and Maintain Vendors is the process of adding and maintaining vendors for both the procurement function and the payables function. Single website for vendors to register themselves and update their data.
Improvement Opportunities:	<ul style="list-style-type: none"> • One central source of vendor information for all agencies to share to include SWAM registration data. • Centralize vendor records and processes via a Shared Service Center (SSC) model. • Create a single statewide vendor ID and data collection. • Increased entry speed and accuracy of vendor data. • Ability to track vendor performance and history. • Ability for vendors to update their own information on line. • Capture one W-9 and store it for vendor on line. • Improve consistency of vendor data by unifying the different vendor data capture and maintenance processes by establishing one process for all agencies that captures relevant information and by conducting standardized vendor performance evaluation across all agencies.
Legal/Policy Reform Impacts:	<ul style="list-style-type: none"> • Affects eVA funding model by loss of annual eVA vendor registration fees (\$25/year). • It should be noted that the eVA procurement portal currently provides on-line vendor self-service registration that captures all purchasing-related data and some payables data. eVA also provides an export facility to enable ERP agencies to download the eVA vendor data file to support ERP/eVA integration and interface, as well as to eliminate any requirement for ERP agencies to require duplicate vendor registration.

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FM03-1.1 - Process Thread Information – Setup and Maintain Vendors	
Organization/People Impacts:	<ul style="list-style-type: none"> • Reduce staff time by capturing vendor information in one source. • Ability for vendors to update their own information on line. • Capture one W-9 and store it on line. • Retraining of staff may require new job descriptions. • Retraining vendors to use a new registration system that replaces the existing eVA On-line Vendor Self-Service Registration will require additional resources. • Re-registration of approximately 33,000 vendors if the existing eVA On-line Vendor Self-Service Registration records are replaced by new record created in a replacement EA vendor registration application. • Affects eVA funding model by loss of annual eVA vendor registration fees (\$25/year).
Assumptions:	<ul style="list-style-type: none"> • One central registration of vendors. • Vendors have self service capability. • Purchasing and payables information will be captured together. • Ability to save W-9 image with vendor record. • Phase 2 payable vendors will be in the Enterprise Application. • Existing eVA On-line Vendor Self Service registration records will be used to the maximum extent possible and updated with additional payables information as necessary.
Access Methods:	<ul style="list-style-type: none"> • Web browser • Desktop
System Interfaces:	<ul style="list-style-type: none"> • Dun & Bradstreet • Metropolitan Washington Airport Authority • Phase 2 Agencies • Out-of-Scope agencies that currently use/depend on the eVA vendor records (e.g., UVA, Virginia Tech, ODU, CWM, JMU, GMU, UMW, VCU, etc.)

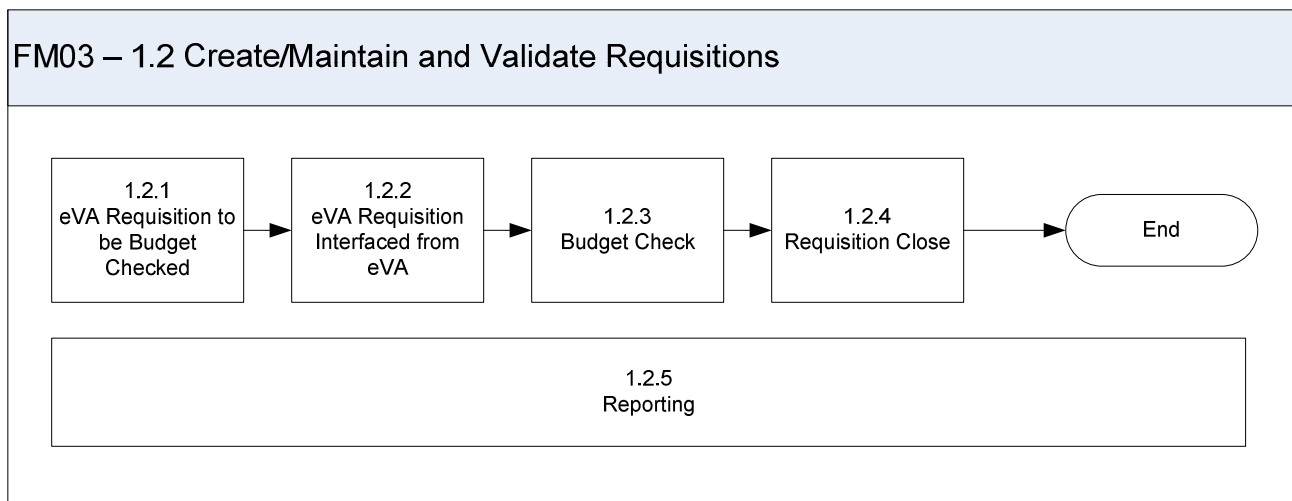
Process Details			
ID	Step	Description	Detailed Steps
1.1.1	Vendor Data Captured Central Vendor Registration	Vendor/Users create and update vendor through central vendor registration.	<p>Step 1: Vendors and EA Users log into the central vendor registration tool to add/update vendor records.</p> <p>Step 2: Registration is reviewed by DMBE.</p> <p>Step 3: DMBE certifies or denies certification.</p> <p>Step 4: DMBE inputs certification data into EA.</p>
1.1.2	Other Agency Vendor Data	Phase two agency vendor data is imported into EA.	<p>Step 1: Vendors from voucher file are verified in EA.</p> <p>Step 2: If TIN does not exist in EA, create new vendor record.</p> <p>Step 3: IF TIN does exist, verify address exists.</p> <p>Step 4: If address does not exist create new address record.</p>
1.1.3	Create Maintain Vendor	Central vendor registration vendor data and phase two agency data is created and maintained.	<p>Step 1: Vendor adds/updates are interfaced to the EA system in real time.</p>

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Process Details			
ID	Step	Description	Detailed Steps
1.1.4	Vendor Approval	Vendor record is approved.	Step 1: EA User reviews vendor data. Step 2: EA User approves vendor, notice to vendor or requesting User. Step 3: EA User denies vendor, notice to vendor or requesting User denied.
1.1.5	Store Vendor W-9	Signed W-9 for vendor is stored.	Step 1: Once vendor is approved, a W-9 is sent to the vendor. Step 2: Signed W-9 is received from vendor and scanned.
1.1.6	Reporting	Reporting is the process of generating real-time and periodic reports ensuring visibility in the processes relating to vendors.	Step 1: Select the report to be generated. Step 2: Enter specific criteria related to report (e.g. data fields, views, date ranges). Step 3: View, print, or extract the report.

6.2 Create/Maintain and Validate Requisitions

Exhibit 6-2 - FM03 Purchasing – Create/Maintain and Validate Requisitions



FM03-1.2 - Process Thread Information – Create/Maintain and Validate Requisitions	
Process Description:	Create/Maintain and Validate Requisitions is the process of documenting and requesting a good or service. The requisition should capture the who, what, where, when of the need.
Improvement Opportunities:	<u>Streamline Business Process</u> <ul style="list-style-type: none"> N/A. <u>Better Information</u> <ul style="list-style-type: none"> Improved agency monitoring and management of budget. <u>Information Technology Modernization</u> <ul style="list-style-type: none"> N/A
Legal/Policy Reform Impacts:	None identified.
Organization/People Impacts:	Establish pre-encumbrance process for purposes of determining fund availability verification before requisition goes forward in eVA
Assumptions:	<ul style="list-style-type: none"> The EA is the system of record for chart fields associated with a transaction.

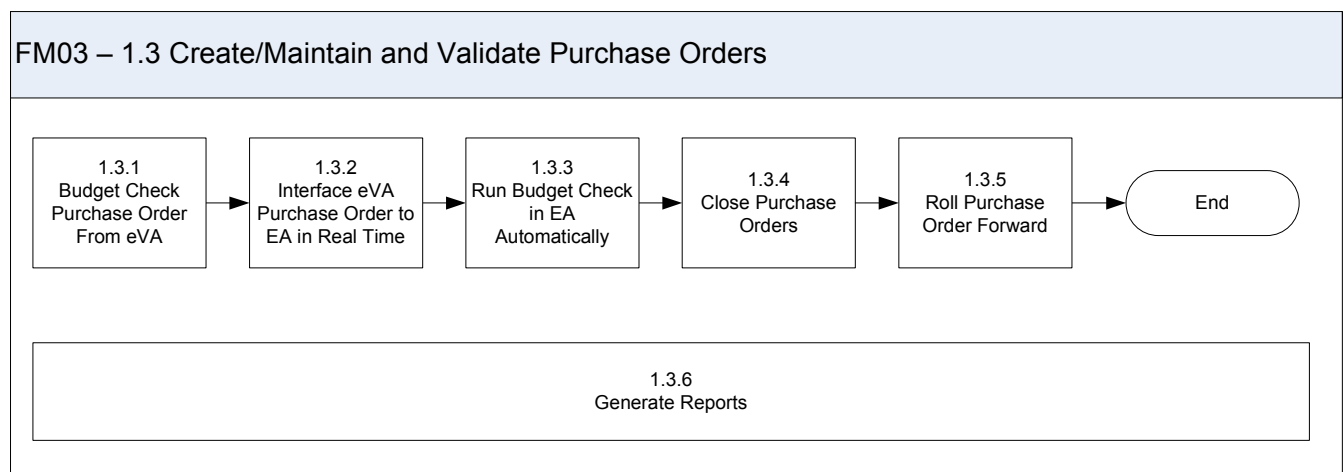
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FM03-1.2 - Process Thread Information – Create/Maintain and Validate Requisitions	
Access Methods:	<ul style="list-style-type: none"> Web browser Desktop
System Interfaces:	<ul style="list-style-type: none"> eVA

Process Details			
ID	Step	Description	Detailed Steps
1.2.1	Initiate Budget Check Requisition Process in eVA	eVA User budget checks eVA requisition that has been added/changed.	Step 1: User initiates budget check in eVA.
1.2.2	Interface eVA Requisition to EA in Real Time	eVA Requisition is interfaced to the EA.	Step 1: eVA requisition is loaded/updated to EA tables.
1.2.3	Run Budget Check in EA Automatically	Chart of accounts are checked for values and combination edits, then funding in the account is verified and pre-encumbered..	Step 1: EA does budget check. Step 2: EA verifies chart of accounts combination edits. If requisition fails edits, message sent to eVA of failure. Step 3: EA follows business rule for verifying funding and pre-encumbrance of funds. If requisition passes budget check, affirmative message sent to eVA, if not message sent to eVA of failure.
1.2.4	Close Requisitions	Close out requisitions that are either fully sourced or cancelled to relieve any remaining pre-encumbrance.	Step 1: Run close requisition process.
1.2.5	Generate Reports	Reporting is the process of generating real-time and periodic reports ensuring visibility in the processes relating to requisitions.	Step 1: Select the report to be generated. Step 2: Enter specific criteria related to report (e.g. data fields, views, date ranges). Step 3: View, print, or extract the report.

6.3 Create/Maintain and Validate Purchase Orders

Exhibit 6-3 - FM-03 Purchasing –Create/Maintain and Validate Purchase Orders



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FM03-1.3 - Process Thread Information –Create/Maintain and Validate Purchase Orders	
Process Description:	Create/Maintain and Validate Purchase Orders is the process of issuing purchase orders and any change orders if necessary.
Improvement Opportunities:	<u>Streamline Business Process</u> <ul style="list-style-type: none"> N/A <u>Better Information</u> <ul style="list-style-type: none"> Improved agency monitoring and management of budgets. <u>Information Technology Modernization</u> <ul style="list-style-type: none"> N/A
Legal/Policy Reform Impacts:	None identified.
Organization/People Impacts:	<ul style="list-style-type: none"> Establish encumbrance process for purposes of determining fund availability verification before requisition goes forward in eVA. Retraining of staff may require new job descriptions.
Assumptions:	<ul style="list-style-type: none"> The EA is the system of record for chart fields associated with a transaction. Changes to purchase orders will follow the same process. Enterprise Application treats transactions from eVA as a trusted agent and does not require any built in rules. The Enterprise Application will be able to handle changes to purchase orders to include changes to the chart of accounts and the accompanying changes to encumbrances. Purchase orders will only be issued to vendors that are in the vendor database.
Access Methods:	<ul style="list-style-type: none"> Web browser Desktop
System Interfaces:	<ul style="list-style-type: none"> eVA

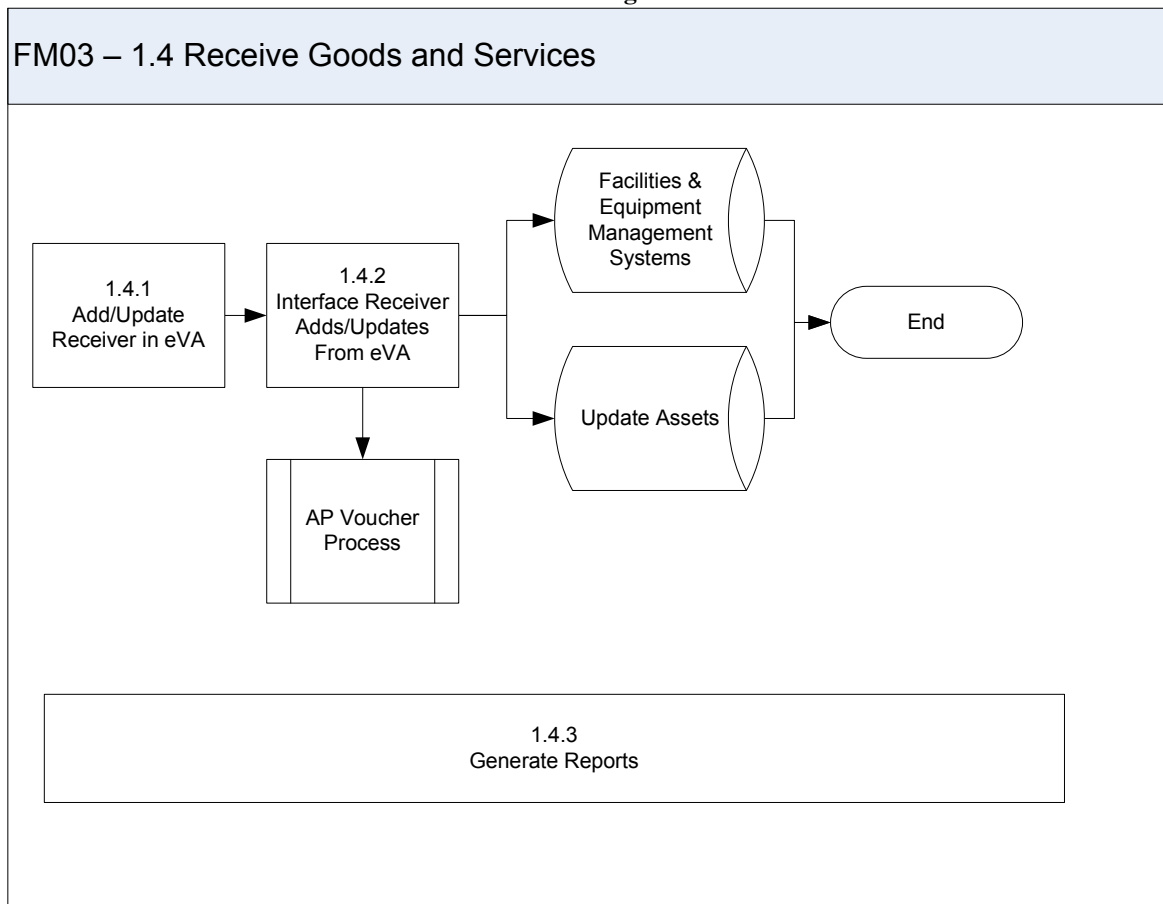
Process Details			
ID	Step	Description	Detailed Steps
1.3.1	Budget Check Purchase Order From eVA	eVA User budget checks eVA Purchase Order that has been added/changed	Step 1: User initiates budget check in eVA.
1.3.2	Interface eVA Purchase Order to EA in Real Time	eVA Purchase Order is interfaced to the EA.	Step 1: eVA purchase order is loaded/updated to EA tables.
1.3.3	Run Budget Check in EA Automatically	Chart of accounts are checked for values and combination edits, then funding in the account is verified and encumbered..	Step 1: EA does budget check. Step 2: EA verifies chart of accounts combination edits. If purchase order fails edits, message sent to eVA of failure. Step 3: EA follows business rule for verifying funding and encumbrance of funds. If purchase order passes budget check, affirmative message sent to eVA and any associated pre-encumbrance is released, if not message sent to eVA of failure.
1.3.4	Close Purchase Orders	Close purchase orders for which no more goods/services are going to be received.	Step 1: Identify purchase orders to be closed. Step 2: Execute close process to release encumbered funds.

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Process Details			
ID	Step	Description	Detailed Steps
1.3.5	Roll Purchase Order Forward	At year end change funding on open purchase orders to new fiscal year.	Step 1: Identify purchase orders to be rolled forward. Step 2: Execute roll forward process to move encumbrances forward.
1.3.6	Generate Reports	Reporting is the process of generating real-time and periodic reports ensuring visibility in the processes relating to purchase orders.	Step 1: Select the report to be generated. Step 2: Enter specific criteria related to report (e.g. data fields, views, date ranges). Step 3: View, print, or extract the report.

6.4 Receive Goods and Services

Exhibit 6-4 - FM-03 Purchasing – Receive Goods and Services



FM03-1.4 - Process Thread Information – Receive Goods and Services	
Process Description:	Receive Goods and Services is the process of documenting the receipt of a good or service and conducting any required testing or inspection.

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FM03-1.4 - Process Thread Information – Receive Goods and Services	
Improvement Opportunities:	<p><u>Streamline Business Process</u></p> <ul style="list-style-type: none"> Automated process to support the verification and recording of receipt of goods/services. <p><u>Better Information</u></p> <ul style="list-style-type: none"> Reduce manual updates of order receipt status by allowing access to transaction information. Reduce manual responses to inquiries into the status of receipts by providing online status access to Users. Reduce manual checking and verification of order receipt status calls from Buyers or Requestors since Users will have the ability to check their order status in the system. Improve tracking of asset information. Improve accuracy and tracking of incrementing of inventory <p><u>Information Technology Modernization</u></p> <ul style="list-style-type: none"> Reduce manual steps for asset management by integrating asset management into receiving process. Reduce manual steps for inventory management by integrating inventory management into receiving process. Reduce payments for faulty goods by controlling payment until after receipts are approved and inspected. Eliminate many data redundancies. Provide real-time, accurate, increased data across the Commonwealth. <p>Note: * Exists today in eVA</p>
Legal/Policy Reform Impacts:	<ul style="list-style-type: none"> DOA policy will be updated to make eVA receiving mandatory for Agencies as they implement the EA.
Organization/People Impacts:	<ul style="list-style-type: none"> Standardization of the receiving process will require changes to agency specific processes and training for agency receiving personnel to cover additional responsibilities. Reduced data entry by receiving staff as most data on the receiver is pre-populated based on the purchase order. Reduced manual checking and verification of order receipt calls from Buyers or Requestors.
Assumptions:	<ul style="list-style-type: none"> No changes can occur to an eVA receiver once a voucher has been paid against it in the EA.
Access Methods:	<ul style="list-style-type: none"> Web browser Desktop
System Interfaces:	<ul style="list-style-type: none"> Inventory systems of the various Commonwealth agencies.

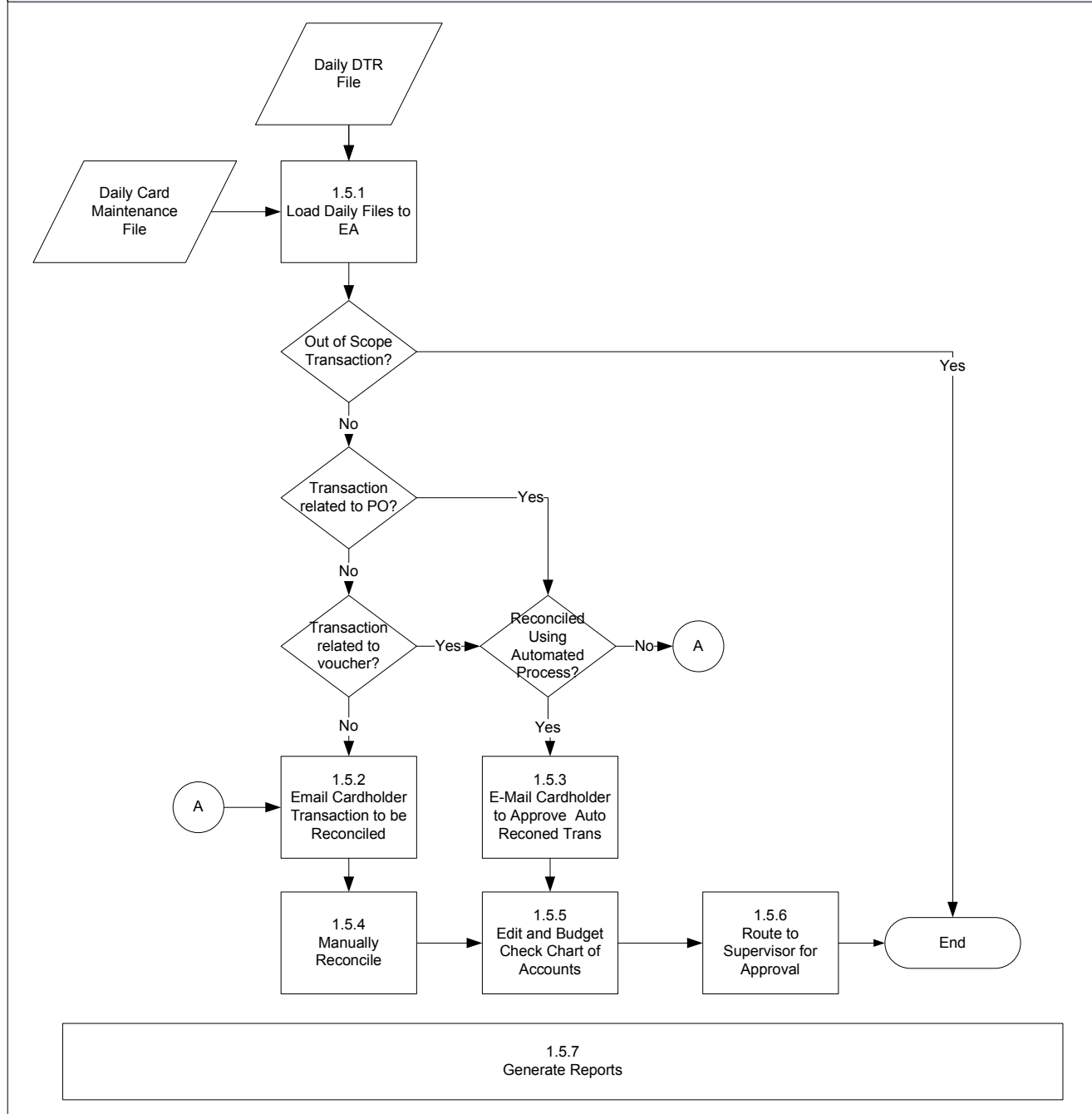
Process Details			
ID	Step	Description	Detailed Steps
1.4.1	Add/Update Receiver in eVA	eVA user add/updates a receiver.	Step 1: User add/updates receiver.
1.4.2	Interface Receiver Adds/Updates From eVA	eVA receiver interfaced from eVA to the EA.	Step 1: eVA receiver is interfaced to the EA tables.
1.4.3	Generate Reports	Reporting is the process of generating real-time and periodic reports ensuring visibility in the processes relating to receiving.	Step 1: Select the report to be generated. Step 2: Enter specific criteria related to report (e.g. data fields, views, date ranges). Step 3: View, print, or extract the report.

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6.5 Capture and Reconcile PCard Transactions

Exhibit 6-5 - FM-03 Purchasing – Capture and Reconcile PCard Transactions

FM03 – 1.5 Capture and Reconcile P-Card Transactions



FM03-1.5 - Process Thread Information – Capture and Reconcile PCard Transactions

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FM03-1.5 - Process Thread Information – Capture and Reconcile PCard Transactions	
Process Description:	Capture and Reconcile PCard Transactions is the process of maintaining card detail in the application, capturing transaction detail, and the chart of accounts for goods/services bought.
Improvement Opportunities:	<p><u>Streamline Business Process</u></p> <ul style="list-style-type: none"> Improve tracking of assets. Reduce redundant approvals between supervisor, reconciler by increasing access to PCard information. <p><u>Better Information</u></p> <ul style="list-style-type: none"> Users will have the ability to view detail information from the PCard vendor. <p><u>Information Technology Modernization</u></p> <ul style="list-style-type: none"> Increase efficiency of the PCard program by automatically importing electronic transactions from the card vendor. Increase efficiency of the PCard program by automatically importing card holder data from the card vendor. Automate the matching process of transactions to the card vendors detailed invoice. Automate the closing of purchase orders that are being paid for via the purchase card.
Legal/Policy Reform Impacts:	<ul style="list-style-type: none"> Establishment of a threshold whereby receipts are not required to be maintained under a defined threshold. Recommended threshold is \$75.00. All receipts required are scanned and attached to the PCard transaction. Policy change to not require requisitions, purchase orders and receiving for purchases made by PCard below \$5,000. Payment to the PCard vendor will be made upon receipt of the DTR file.
Organization/People Impacts:	<ul style="list-style-type: none"> Training of cardholders and approvers to process PCard transaction in the system. Retraining of staff may require new job descriptions.
Assumptions:	<ul style="list-style-type: none"> GE MasterCard cardholder data is complete enough to create cardholder record in EA. PCard vendors must receive purchase orders by EDI or email. System can attach files (scanned documents) to a transaction. The EA is the system of record for chart fields associated with a transaction. System will have edits to avoid duplicate payment for a purchase order paid by PCard. All eVA transactions will be V-payment if vendor accepts PCard. Accounts payable will pay against the DTR file daily, debit suspense 1309, credit cash. After reconciliation of the transaction, a journal entry to releave the suspense account will be created, debit expense distribution, credit suspense 1309. eVA PO data will be in the EA for automated reconciliation with related PCard transactions.
Access Methods:	<ul style="list-style-type: none"> Web browser Desktop
System Interfaces:	<ul style="list-style-type: none"> PCard vendor.

Process Details			
ID	Step	Description	Detailed Steps
1.5.1	Load Daily Files to EA	Daily load of CIF and DTR files.	Step 1: Load CIF files.
1.5.2	Email Cardholder Transaction to be Reconciled	Email to cardholder notifying that a PCard transaction needs to be reconciled.	Step 1: System emails cardholder.

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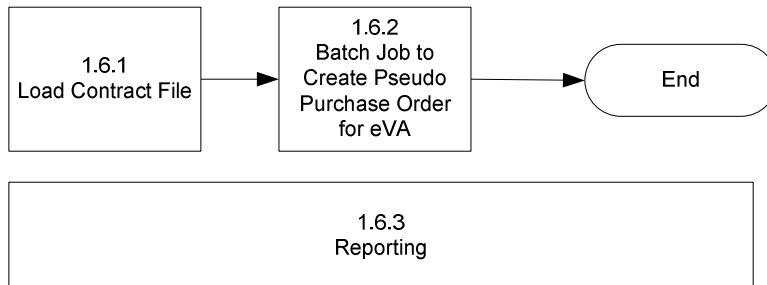
Process Details			
ID	Step	Description	Detailed Steps
1.5.3	Email Cardholder to Approve Auto Reconciled Trans	Email to cardholder notifying that a PCard transaction associated to a purchase order or voucher needs to be approved.	Step 1: Cardholder receives an item in their worklist or email that there are transactions that need to be approved. Step 2: Cardholder reviews transaction and verifies against purchase order or voucher. Step 3: Cardholder approves transaction.
1.5.4	Manually Reconcile	Manual reconciliation of non-PO transactions.	Step 1: Cardholder receives an item in their worklist or email that there are transactions that need to be reconciled. Step 2: For Non-PO transactions, cardholder reviews transaction and verifies against receipt. Step 3: Cardholder keys pertinent details along with chart of accounts. Step 4: Cardholder reconciles non-reconciled transactions.
1.5.5	Edit and Budget Check Chart of Accounts	System does chart of account edits and budget checks transaction.	Step 1: Cardholder initiates chart of account and budget check against transaction.
1.5.6	Route to Supervisor for Approval	Supervisor receives PCard details on a worklist or email and takes appropriate action.	Step 1: Supervisor receives an item in their worklist or email. Step 2: Supervisor reviews transactions to include chart of accounts. Step 3: Supervisor evaluates whether purchased goods/services are needed by the Agency to fulfill its mission. Step 4: If Supervisor denies transaction, Cardholder is notified via workflow email to return items to vendor. Step 5: Cardholder returns items to vendor if necessary and requests a credit transaction. Step 6: Upon approval EA updates inventory or fixed assets if necessary.
1.5.7	Generate Reports	Reporting is the process of generating real-time and periodic reports ensuring visibility in the processes relating to vendors.	Step 1: Select the report to be generated. Step 2: Enter specific criteria related to report (e.g. data fields, views, date ranges). Step 3: View, print, or extract the report.

6.6 Create / Maintain Construction Contracts

Exhibit 6-6 - FM-03 Purchasing – Create/Maintain Construction Contracts

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FM03 – 1.6 Create/Maintain Construction Contracts



FM03-1.6 - Process Thread Information – Create / Maintain Construction Contracts	
Process Description:	Create / Maintain Construction Contracts is the process of creating and maintaining contracts that are used without purchase orders.
Improvement Opportunities:	<u>Streamline Business Process</u> None identified. <u>Better Information</u> None identified. <u>Information Technology Modernization</u> None identified.
Legal/Policy Reform Impacts:	None identified.
Organization/People Impacts:	None identified.
Assumptions:	None identified.
Access Methods:	<ul style="list-style-type: none"> Web browser Desktop
System Interfaces:	<ul style="list-style-type: none"> eVA Systems of the various Commonwealth agencies.

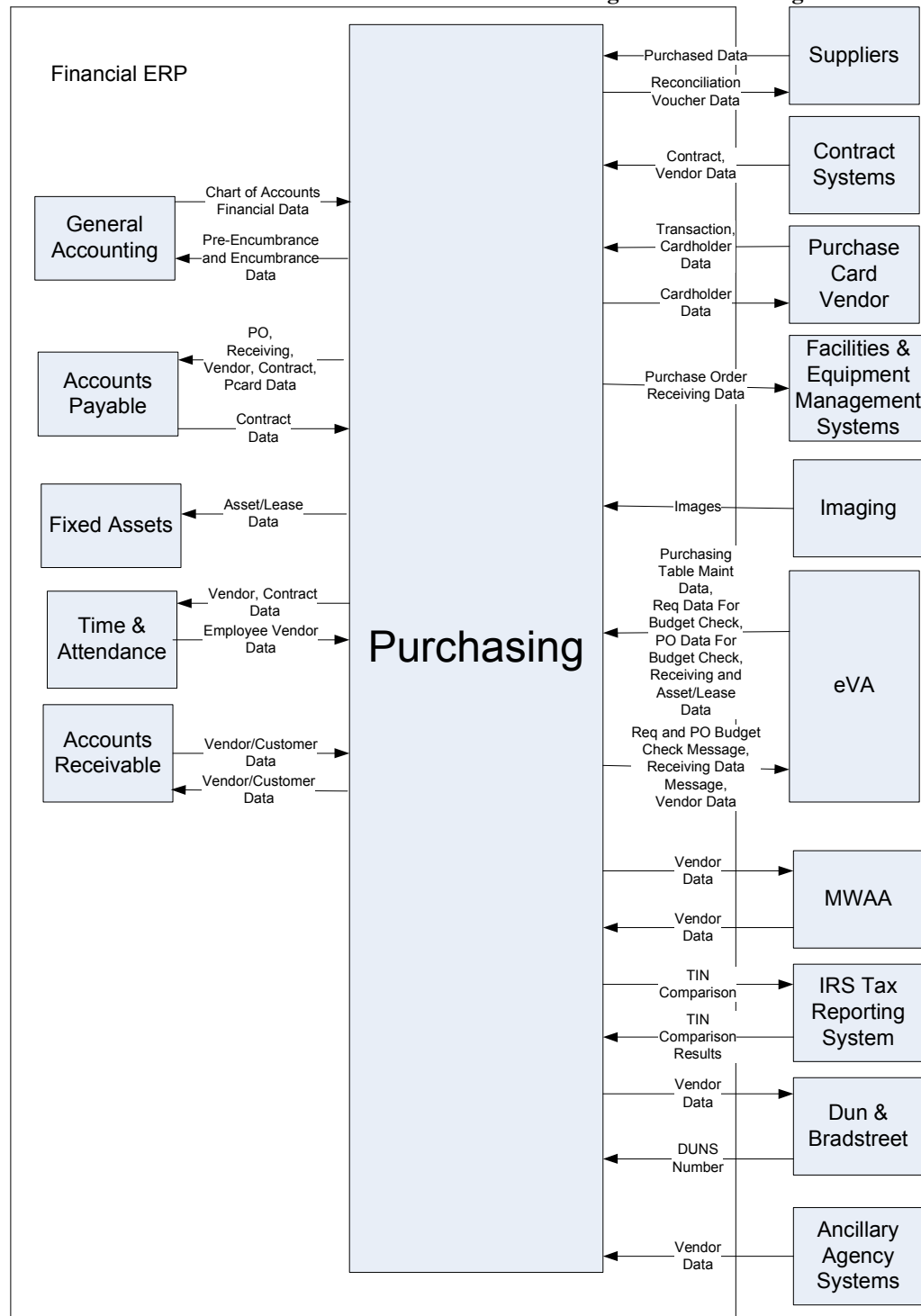
Process Details			
ID	Step	Description	Detailed Steps
1.6.1	Load Contract File	Non-PO Contract is created or loaded from an agency legacy system.	Step 1: Interface into the EA non-PO contracts.
1.6.2	Batch Job to Create Pseudo Purchase Order for eVA	Batch job to create a pseudo PO for loading into eVA.	Step 1: Batch job to create pseudo PO for eVA requirements. Step 2: Interface PO to eVA.
1.6.3	Reporting	Reporting is the process of generating real-time and periodic reports ensuring visibility in the processes relating to Non-PO Contracts.	Step 1: Select the report to be generated. Step 2: Enter specific criteria related to report (e.g. data fields, views, date ranges). Step 3: View, print, or extract the report.

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7. Data Flow Details

This section details the flows of data both in and out of the business process and will assist in identifying the new system's impact to existing systems and processes.

Exhibit 7-1 - FM-03 Purchasing – Data Flow Diagram



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Data Flow Details			
Entity	Flow	Data Name	Description
eVA System	In	Requisition Data For Budget Checking	Requisition data (add/update/cancel) with chart of account information. Chart of accounts will be validated then budget checked.
eVA System	Out	Requisition Budget Check Message	Approved or denied with reason code.
eVA System	In	PO Data For Budget Checking and Full Vendor Data	PO data (add/update/cancel) with chart of account information. Chart of accounts will be validated then budget checked.
eVA System	Out	PO Data Budget Check Message	Approved or denied with reason code.
eVA System	In	Receiving and Asset/Lease Data	Receiving data (add/update/cancel).
eVA System	Out	Receiving Data Message	Approved or denied with reason code.
eVA System	In	Purchasing Table Maintenance	Purchasing table maintenance data to include: buyer data, requisitioner data, ship to and bill to address data, commodity code data, and unit of measure data.
Suppliers	In	Purchased Data	Purchased data from outside suppliers not related to a purchase order, used to create vouchers and put expenditure chart of accounts to each transaction.
Facilities/Equipment Management Systems	Out	Receiving and PO Data	Receiving and PO data for goods/services received involving equipment and facilities.
Contract Systems	In	Contract Data	Data to create/update contract record and vendor data for adds and updates.
PCard Vendor	In	Transaction Data	Detail credit card transaction data for charge card reconciliation.
PCard Vendor	In	Cardholder Data	Detail card holder data, encrypted card numbers, transaction limits, etc....
PCard Vendor	Out	Cardholder Data	Detail card holder data, encrypted card numbers, transaction limits, etc....
Imaging	In	Images	Images of correspondence with vendors, contracts, solicitations, packing slips, etc...
MWAA	In	Vendor Data	Vendor data from MWAA with DBE data.
MWAA	Out	Vendor Data	Vendor data to MWAA with DBE data.
Dun & Bradstreet	In	Vendor Data	DUNS number from Dun & Bradstreet.
Dun & Bradstreet	Out	Vendor Data	Vendor data to Dun & Bradstreet.
Ancillary Agency Systems	In	Vendor Data	Vendor adds and updates from other agency systems.

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8. References

8.1 Information Sources

The documents that have been used as references to *Encumbrances* are as follows:

- Enterprise Business Architecture (EBA) Line of Business 438 Financial Management
- Virginia Enterprise Applications Architecture Initiative Section 3 Financial Management
- Due Diligence Deliverable Financial Management
 - Financial Management Multiple Choice Responses
 - Financial Management Selected Text Responses
 - Financial Management Tower Summary
- Other State Requirements from Ohio and Tennessee

8.2 Definitions, Acronyms and Abbreviations





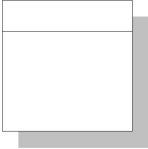
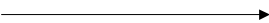




Term	Definition
AASHTO	American Association of State Highway and Transportation Officials
APSPM	Agency Procurement and Surplus Property Manual
CAFR	Comprehensive Annual Financial Report
CAPP	Commonwealth Accounting Policies and Procedures Manual
CARS	Commonwealth Accounting and Reporting System
CIF	Cardholder Information File
CPSM	Construction & Professional Services Manual
COVF	Council on Virginia's Future
DBE	Disadvantaged Business Enterprises
DGS	Department of General Services
DHP	Department of Health Professions
DMBE	Department of Minority Business Enterprises
DOA	Department of Accounts
DOAV	Department of Aviation
DOC	Department of Corrections
DPOR	Department of Occupational Regulation
DPS	Division of Purchases and Supply
DTR	Daily Transaction Record
EBA	Enterprise Business Architecture

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Term	Definition
eVA	Electronic Virginia (Purchasing System)
EFIS	Electronic Fiscal Impact Statement System
FAACS	Fixed Asset Accounting & Control System
FM	Financial Management
JYF	Jamestown-Yorktown Foundation
LAS	Lease Accounting System
MRC	Marine Resources Commission
MWAA	Metropolitan Washington Airport Authority
OTC	Over the Counter Transaction
PCard	Purchase Card
SMV	Science Museum of Virginia
SOW	Statement of Work
SWAM	Small Woman and Minority Business
UCC	Uniform Commercial Code
UCITA	Uniform Computer Information Transactions Act
UETA	Uniform Electronic Transactions Act
VDOT	Virginia Department of Transportation
V-payment	Virtual Card Payment
VEAA	Virginia Enterprise Application Architecture
VEAP	Virginia Enterprise Applications Program
VEC	Virginia Employment Commission
VITA	Virginia Information Technology Agency
VPPA	Virginia Public Procurement Act
VSDBS	Virginia School for the Deaf and Blind at Staunton
WebBEARS	Budget Entry and Reporting System
Workflow	Workflow is the movement of documents and/or tasks through a business process. Workflow is the organization, routing and notification of a defined event via a paper or electronic document trail within the Commonwealth and across agencies. A workflow event does not necessarily require approval or action.


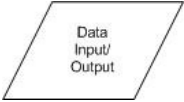
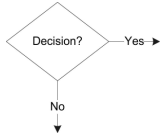


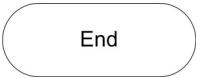
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The definitions of the shapes used in the diagrams in Section 2 of the *Financial Management – Purchasing* Future State Environment document are as follows:


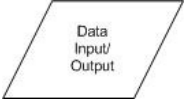

Diagram Shape	Definition
	Server symbol represents a server or feeder system transmitting data to or receiving from the main system.
	Main System represents mainframes or the future ERP solution.
	User/Manual interaction symbol.
	Paper document symbol.
	Application symbol.
	Required function symbol.
	Optional function symbol.
	Use the group box symbol around multiple symbols to simplify and/or emphasize functions specific to a group i.e. in-scope/out-of-scope agencies.
	Connector symbol is used to avoid crossing of lines and maintain flow going from left to right.
	Agency symbol is used to represent internal/external agencies or organizations involved in the process. It is unknown at this time if a system exists.

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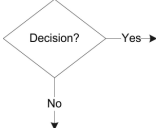




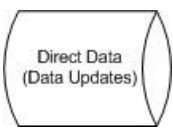
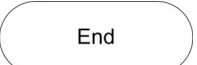
The definitions of the shapes used in the diagrams in Section 5 of the *Financial Management – Purchasing* Future State Environment document are as follows:

Diagram Shape	Definition
	Pre-defined Process symbol is used to represent the defined process threads.
	Data input/output symbol represents incoming or outgoing data.
	Decision symbol is used when the process requires a decision to proceed.
	Directional Arrow symbol is used to reflect flow from one symbol to the next.
	Connector symbol is used to avoid crossing of lines and maintain flow going from left to right.
	End Symbol is used to end the process.

The definitions of the shapes used in the diagrams in Section 6 of the *Financial Management – Purchasing* Future State Environment document are as follows:

Diagram Shape	Definition
	Pre-defined Process symbol is used to represent the defined process threads.
	Data input/output symbol represents incoming or outgoing data.
	Process symbol is used to represent the process thread steps.

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Diagram Shape	Definition
	Decision symbol is used when the process requires a decision to proceed
	Directional Arrow symbol is used to reflect flow from one symbol to the next.
	Connector symbol is used to avoid crossing of lines and maintain flow going from left to right.
	Paper document symbol.
	Manual Operation symbol.
	Direct Data updates symbol.
	End Symbol is used to end the process.

Appendix A – Product Requirements – Reference RFP Section 5